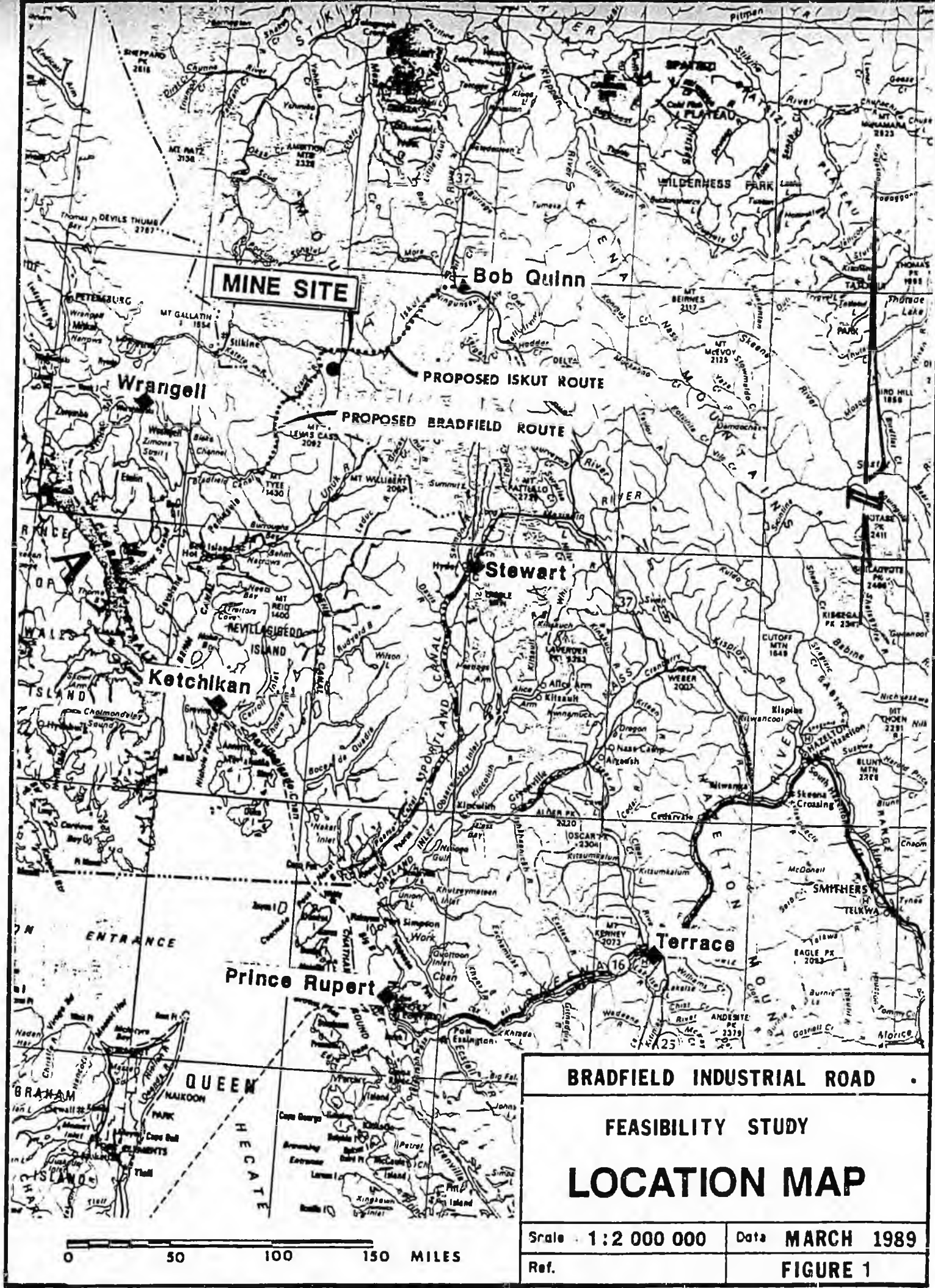


ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6736 SENATE TRANSPORTATION

1190



MINE SITE

Bob Quinn

Wrangell

PROPOSED ISKUT ROUTE

PROPOSED BRADFIELD ROUTE

Stewart

Ketchikan

Terrace

Prince Rupert

BRADFIELD INDUSTRIAL ROAD

FEASIBILITY STUDY

LOCATION MAP

Scale 1:2 000 000

Data MARCH 1989

Ref.

FIGURE 1

0 50 100 150 MILES

4.0 REGIONAL RESOURCES

4.1 MINERAL POTENTIAL

It has long been recognized that mining development would be the key growth sector in northwest British Columbia (Economic Development in northwest British Columbia: Challenges and Opportunities, May 1982). The Iskut region of northwest British Columbia has been the focus of a vigorous exploration program by the Canadian mining industry resulting in an unprecedented number of submissions to the Canadian government mine development review process for stage 1 and stage 2 reviews. During 1988 more than 30 companies engaged in exploration and drilling programs, spending in excess of \$15 million. The main focus continues to be on gold and silver.

The assessment of the mineral potential of the Iskut region, as in any area, requires the review of available best data and the use of certain assumptions as to the likelihood of advancement to mine development. For this study, the Iskut region was divided into 3 distinct districts for mineral potential review. These districts are;

- The Iskut River District
- Unuk/Sulphurets District
- Stikine District

Each of these districts are positioned as potential beneficiaries from road access in the Iskut Region and to date have suffered erratic development because of the lack of easy access, high costs, and difficult weather conditions. If the suggested Bradfield Road system were followed, all noted deposits from these districts will use that portion of the road system on the Alaskan side of the border. There would be common useage of many segments of the road system on the Canadian side.

Within each district, the mineral properties were reviewed and significant properties identified on the basis of the following mineral deposit classes:

- Class: 1) Producing mine
2) Production facilities under way
3) Current exploration and development, including drilling
4) Recent exploration, including drilling

Those deposits identified as Class 3 and 4 are active prospects which have generally received advanced exploration in recent years with annual expenditures in the million dollar range. There is a possibility that they might develop into small scale producers. See Mineral Claim Map, Figure 2.

Fourteen mineral properties were carried forward to the mineral property listing to provide assumed production data. Forecasting of mineral production, both volume

and timing, is extremely difficult due to the range of unforeseen development parameters. However, best-estimate production volumes were developed from reserve data to support in-haul/out-haul tonnage estimates and applied unit haul cost analysis.

Significant data for projects identified from this review, for each of the three districts, are summarized in Table 1.

BRADFIELd INDUSTRIAL ROad FEASIBILITY STUDY

Mineral Property Analysis

September 1989

TABLE I

Map #	Name	Operator	Class	Commodities	Potential Reserves	Tons/day Milled	Tons Concentrate per year	Mine Life	Probable on-line Production	Miles to Bradfield	Miles to Stewart	Ratio
ISKUT DISTRICT	101	Johnny Mountain	1	Au, Ag, Cu	1,000,000 Tons	400	14,000	8 yrs	Now producing	43	160	3.7:1
	102	Snip	2	Au, Ag, Cu	1,570,000 Tons	500	Potential future Cu Concentrate	8 yrs	1990	43	160	3.7:1
	103	Warrior	3	Au, Ag	Unknown	-	None Dore bullion	-	1995?	69	174	2.5:1
	104	Joann	3	Fe/Cu, Au, Ag	Unknown	Possible 200	Possible 8,000	-	1995?	47	179	3.8:1
	105	Bach	3	Au, Ag	Unknown	Possible 200	Dore Bullion	-	1995?	53	179	3.4:1
	106	Inel	3	Au, Ag, Cu, Zn	Unknown	Possible 200	Possible 8,000	-	1995?	62	178	2.9:1
	107	Ray	4	Ag, Au, Zn, Pb, Cu	Unknown	Possible 200	Possible 8,000	-	1995?	47	179	3.8:1
	108	Burton	4	Ag, Au, Cu, Pb, Zn	Unknown	Possible 200	Possible 8,000	-	1995?	40	184	4.1:1
	109	E & L	2	Ni, Cu	3,200,000 Tons	Possible 1,000	Possible 3,200	9 yrs	2000?	53	165	3:1
	110	Waratah	4	Au	Unknown	-	Dore Bullion	-	1995?	46	174	3.8:1

SULPHURETS DISTRICT

111	Sulphurets	Newhawk Gold Mines	2	Au, Ag, Cu, Cu, Pb, Zn	Lode 1,500,000 Heap Leach 20,000,000	500	Possible 15,000 Dore bullion	8 yrs	1991	95	189	2:1
112	Eskay Creek	Calpine/Consolidated Stikine	2	Au, Ag, Pb, Zn	Unknown	-	Possible 8,000	-	1995?	73	167	2.3:1

STIKINE DISTRICT

113	Schaff Creek	Teck Corporation	2	Cu, Mo, Ag, Au	900,000,000 Tons	100,000 open pit	318,000	25 yrs	2000?	87	178	2:1
114	Stikine	Stikine Silver, Ltd.	2	Cu, Ag, Au	151,000,000 Tons	30,000 open pit	303,000	14 yrs	2000?	98	216	2.2:1

4.1.1 ISKUT RIVER DISTRICT

Most recent exploration and development expenditures in NW British Columbia were for precious metals and most were located in the rugged northwestern part of the province where the Iskut Gold Camp, site of the Reg (Johnny Mtn. - Class 1) and Snip (Class 2) deposits are found. This district has attained a very significant status with greater than 1.75 million ounces of gold identified between these two deposits alone. Over 75 mineral properties are located north and south along the lower to mid Iskut River axis.

The Johnny Mountain Mine, B.C.'s newest gold mine, shows reserves of 1.08 million tons grading 0.70 oz./T AU, 0.73 oz./T AG, and 0.75% CU. This is presently regarded a 250 ton per day operation, supplied entirely by air transport and employing 115 people. Official opening of the mine was August 17, 1988. Capital expenditures on this project are reported at \$41 million.

Present in-haul transport requirements for the Johnny Mountain mine are estimated at 5,000 tons per year. Fuel for on-site power supply generation is the leading in-haul cargo volume component with 80,000-90,000 gallons a month flown on in-haul, representing over sixty percent of annual shipping volume. Concentrate out-haul production is currently (September 1989) averaging 350 metric tons (2,205 lbs) per month.

The adjacent Snip deposit has reserves of 1.57 million tons grading 0.64 oz./T AU, and has been on a fast track to production at a planned 300 tons per day milled in 1990, with long term production planned at 500 tons per day. The 1989-90 scope of activity at the Snip has been reduced, indicating potential start-up to production will be delayed. Anticipated capital costs are in excess of \$30 million with a projected employment of 115.

Seven other properties in the Iskut River District were identified as having significant current or recent exploration programs, including drilling. These properties and related production data are listed in Table 1.

4.1.2. UNUK/SULPHURETS DISTRICT

The Unuk/Sulphurets District is formed around the axis of the Unuk River drainage, approximately 24 miles southeast of the Iskut - Johnny Mtn. area, and one of two districts (Unuk/Sulphurets and Stikine) periphery to the core Iskut River District. A total of over 40 properties are found in this district.

The Sulphurets property (Property #111 - Class 2) is a significant property within this

district with reserves of 775,000 tons(Stage 1 Reporting) grading 0.50 oz./T AU and 20.18 oz./T AG. The property has seen continued exploration with an extensive drilling and underground drifting program, and currently has temporary road access from Highway 37 via Bowser Lake.

4.1.3. STIKINE DISTRICT

Peripheral to the deposits in the Sulphurets - Iskut mineral belt are two large copper deposits in the Stikine River area, both of which could benefit from the development of the Bradfield Road.

The Schaft Creek deposit (property #113 - Class 2) is basically a copper/molybdenum orebody with minor amounts of silver and gold. Access would require construction of 44 miles of road from the deposit to Bob Quinn Lake; and then the choice of one of the two alternate routes to tidewater, 134 miles via Highway 37 to Stewart or 87 miles to the Bradfield Terminal. Much of this latter route would service the majority of listed deposits in both the Iskut and Unuk districts. Unlike the gold deposits which have been developed to date, the equipment, facilities and rolling stock required for production at Schaft Creek would be substantial.

The Stikine Deposit(property # 114- Class 2) is a relatively highgrade copper ore body with minor amounts of silver and gold. Final development is expected to be delayed because of difficult access involving a 3.3 mile tunnel, and the difficulty of permitting a 25-mile road down the Stikine River corridor to the Iskut River and then 28 miles up the Iskut to Bronson Creek, junction point for Stewart or the Bradfield Canal destination.

4.1.4. OTHER PROPERTIES

In 1983, a Canadian inter-ministry task force, directed by the Cabinet Committee on Economic Development, completed a series of studies on the scale and timing of potential mineral developments in northwest British Columbia (Northwest Economic Development Studies - Mineral Resources, 1983). This study identified nine "cornerstone" properties over a list of 23 known significant, but undeveloped mineral properties in the region. The Schaft Creek and Stikine copper deposits (as listed in 4.1.3.) were 2 of these 9 properties.

The Mt. Klappan deposit was also among the 9 properties listed which has, perhaps, regional proximity to the Bradfield Project. Mt. Klappan is a deposit of anthracite coal having undergone extensive exploration, determining that the deposit could be mined by low cost, open pit methods. A major constraint to this large project is the

limited size of the world market for anthracite coal. Logistically, this deposit lies 62 air miles to the east of Cassiar Highway and it is unlikely that the Bradfield Route would be of any value for coal export to foreign markets. The report concludes a road route to Stewart would be most cost effective, aligned south from the mine site down the Skeena and Nass Rivers to Meziadin Junction and then 39 miles west to Stewart on the existing highway.

Another significant mineral deposit which might utilize the Bradfield Route is the Cassiar Asbestos (McDame Extension) property located 70 miles north of Dease Lake on the existing road system. This former open-pit operation is now being converted to an underground operation, and has developed reserves of 178 million tons containing 5.57% fibre (equivalent to 10 million tons of marketable product). This indicates a mine life of over 100 years. Over 50 million dollars have been spent so far on mine development, and with the existing mill would treat 1.6 million tons per year -- equivalent to 90,000 tons per year of marketable fibre. Estimated employment is 150 people, and production is scheduled for 1990.

If the movement of this tonnage per year was planned to be trucked to Stewart via the Cassiar Hwy., and the Iskut River/Bradfield River Road from Bob Quinn Lake Junction to the Bradfield Terminal was available, the mileage would be 65 miles shorter by use of the latter.

4.2 TIMBER RESOURCES

4.2.1 ISKUT SUPPLY BLOCK

An analysis of the timber supply in the region of Northwestern British Columbia was undertaken to provide reliable estimates as to the acreage, type, volume, and accessibility of timber resources as a contributor to commodity movement in this region. Forest inventory data from the Ministry of Forests and Lands, Smithers office provided the base inventory data from which to describe the timber resource and develop estimates of a long-term annual allowable cut (AAC) - an indicator of potential timber supply and annual transport volume component.

The results of the first timber supply analysis performed by the British Columbia Ministry of Forests (April, 1984) describes the region of Northwestern B.C. as the Cassiar Timber Supply Area (TSA). Past harvesting patterns and proposed development plans show that in the Cassiar TSA only a very limited area of the forest is economically accessible, and in this area, only the best stands are merchantable.

The Iskut Supply Block, located in the southern region of the Cassiar TSA is the principle focus of the timber supply analysis. Forest inventory area and volume

summaries, based on mature forest stands within the gross productive crown forest land base of the Iskut Supply Block, are estimated at 435,357 acres and a total inventory volume of 69,928,020 cubic meters(m³). The majority of the Iskut Supply Block is mountainous, inaccessible and non-productive (with respect to timber) but there is a corridor of forest land along Highway 37 and the Lower Iskut Rivers axis which support sufficient, good quality stands to be considered economically accessible. Additional timber volume is conceptually described in the Craig River and the Unuk River drainages. Several small Timber Sale Licences have been awarded in the Iskut Supply Block over recent times, however there are currently no active forest tenure licences in this area. The Iskut Supply Block has been a source of logs for export via the port of Stewart.

4.2.2 TIMBER TYPE AND VOLUME

The most current forest inventory data available is that which supported the Lower Iskut River Development Study, conducted by the B.C. Ministry of Forests and Lands in September, 1988. As reported, the forest cover of the Lower Iskut River area comprises mainly mature and overmature hemlock, spruce, balsam, cottonwood, and pine (Forest Cover Map-Inventory Branch, Cassiar Timber Supply Area Report, September, 1988). The predominant species is hemlock, making up 85 percent of the total volume. Spruce occupies 10 percent of the total volume strata, balsam, cottonwood, and pine making up the remaining five percent.

Fifteen engineering units, totaling 107,484 acres, have been conceptually described in the Lower Iskut-Craig River area. Of these fifteen units, five have significant operable limitations(correspondence dated 9-14-89, B.C. Ministry of Forests and Lands) and have been deleted from the operable timber supply base. Table 2, on page 14, shows the acreage, volume, and species composition for each of the remaining ten individual units. Earlier reporting(April, 1989) indicated a total volume of approximately 14,878,000 cubic meters (m³) found on the total fifteen units. The total volume on the remaining ten operable units is reported as 11,474,000 cubic meters(m³) found on 83,616 acres. The Unuk River drainage, south of the Iskut River axis to the U.S. border, has reported timber inventory acreage within six engineering units of 21,688 acres and volume estimated at 4,229,000m³. Together, total estimated operable timber volumes in the lower Iskut-Craig River and Unuk River system is 15,703,000m³. An annual allowable cut (AAC) estimated at 231,000m³ per year is suggested by the Ministry of Forests for the Iskut-Craig area if the entire operable area, once accessed, proceeded under a forest license development plan providing a maximum and intense harvest level. The Unuk River system, currently with no allowable cut estimates, could presumably yield an additional 84,500m³ per year. A total annual allowable cut of 315,500m³ for the Iskut-Craig River and Unuk River systems equates to approximately 300,500 tons of annual log volume as a

potential contributor to transport volume from this region.

The AAC figure was arrived at using the following productivity factors, based on the preliminary operability mapping of the area:

Daily Output:	250m ³ /shift/crow
Number of crews:	6
Annual Working Period:	200 days
Harvesting Cycle:	50 years
Operable acres:	105,304
Reported Net Volume:	15,703,000m ³

Estimated Annual Allowable Cut: 315,500m³ per year or 300,500 tons/yr

The long/short term needs for these drainage systems involve other resource users, hence some level of operational constraint is anticipated from an otherwise maximum harvest level.

4.2.3 Round Log Export

On the recommendation of the British Columbia Minister of Forest and Lands, and signed by Executive Order No. 2177 on December 10, 1986, provisions for round log export allow the following;

" all species of standing timber originating within the boundary area of the Cassiar Timber Supply Area which cannot be processed economically in the vicinity of land from which it is cut or produced, and cannot be transported economically to a processing facility located elsewhere in the province, be exempted from manufacture in the province under section 136 of the Forest Act under the following conditions:

- a) an export permit be obtained from the regional manager
- b) in addition to any other sum payable to the Crown, a fee in lieu of manufacture within the province shall be paid at the rate of \$1.00 per cubic meter for timber suitable for the manufacture of lumber.

This order is in effect until December 31, 1990.

TIMBER RESOURCE ANALYSIS
Lower Iskut River Area, Cassiar T.S.A.
September 1989

TABLE 2

	Unit #	Acres	Total Volume		Volume by Species [1000 cubic meters and (%)]					
			(1000 Cu.Meters)	(1000 Tons)	Hemlock	Balsam	Spruce	Pine	Cot	
Lower Iskut River Operable Engineering Units-Volume Summary	1	8,580	951	934	858 (91)	51(5)	-	42(4)	-	
	3	7,332	1,063	1,024	899 (84)	-	164 (15)	-	1	
	4	9,048	1,080	1,059	1,023 (95)	-	48(4)	-	9	
	5	10,140	1,006	996	1,006 (100)	-	-	-	-	
	6	15,288	1,822	1,794	1,767 (97)	-	47(2)	-	8	
	10	6,552	1,310	1,204	1,147 (88)	-	163 (12)	-	-	
	11	9,828	1,369	1,171	326 (24)	691 (50)	352 (26)	-	-	
	12	2,964	638	619	563 (88)	-	75 (12)	-	-	
	13	7,644	1,485	1,456	1,412 (95)	-	67(4)	-	5	
	14	6,240	750	708	557 (74)	-	177 (24)	-	16	
	Sub-Total	83,616	11,474	10,965	9,558 (83)	742 (6)	1,093 (10)	42	39	
	Unuk River Operable Engineering Units-Volume Summary	1	642	151	148	37(24)	114(76)	-	-	-
		2	1,537	269	265	172(64)	67(25)	30(11)	-	-
		3	2,108	363	357	363(100)	-	-	-	-
4		6,704	1,208	1,189	1,153(95)	1	51(4)	-	3	
5		5,520	1,212	1,194	1,171(97)	-	38(3)	-	3	
6		5,177	1,026	1,010	1,016(99)	-	10(1)	-	-	
Sub-Total		21,688	4,229	4,105	3,913(92)	182(4)	130(3)	-	7(1)	
Grand Total	105,304	15,703	15,130	13,471(86)	924(6)	1,223(8)	42	46		

CUBIC CONVERSIONS

Hemlock: 1.01 cubic meters/ton
 36 cu. ft/ton
 180 board feet (Scribner)/ton

Spruce/Balsam/Pine: 1.23 cubic meter/ton
 43 cubic ft/ton
 210 board feet/ton

5.0 BRADFIELD ROUTE ANALYSIS

5.1 GENERAL

The objective of the route analysis and reconnaissance engineering is the evaluation of both the feasibility and the cost of constructing a ground transportation facility to provide additional access from Southeast Alaska to the adjoining transportation facilities within Canada. The facility in turn would provide a more direct and shorter access route to salt water for the mineral and timber resources within the Iskut River region of British Columbia.

Recognizing the initial facility need and transport volumes as well as the availability of construction funding, the utilization of phase construction was chosen as the most viable approach. Initial construction would be a minimal facility with a basic alignment and gradient that could be upgraded to at least a Federal secondary standard as increased traffic volumes and types demanded.

Source data for review and analysis of the routes and standards included the following;

- 1) Department of Transportation and Public Facilities- Southeast Region's Route Feasibility Study, Wrangell to Canada Border, November 1974,
- 2) Supplemental Reconnaissance Study, Bradfield Canal Route, January, 1986,
- 3) Reconnaissance of Iskut Valley Route-Cassiar Highway to U.S. Border, B.C. Ministry of Highways,
- 4) Skyline Exploration Ltd's Stage 1 Report for a Proposed Mineral Access Road, Iskut River Area, B.C., April 1982. Additionally, the video tapes of the DOT&PF aerial reconnaissance of the Bradfield Canal Route initially flown September 26, 1985 with a follow-up flight on February 2, 1988.

5.1.1. LAND STATUS

At the present time, the entire route corridor is Tongass National Forest land, and there are no active mining claims, withdrawals or easements within the corridor. Mining claims that were staked in the past and had land common to the corridor have expired. Two special use permits are issued by the U.S. Forest Service in the project area; 1) to the Alaska Energy Authority for the Tyee Hydroelectric Project, and 2) to Bradfield Electric for the planned construction, operation and maintenance of a 69 KV power transmission line, extending from the Tyce Powerhouse to the Canadian border.

The State of Alaska, during 1989, filed a National Forest Community Grant(NFCG) nomination for a tentative land selection of 5,020 acres at the east end of Bradfield Canal. A tentative selection of 4,090 acres was approved by the U.S. Forest Service

for selection on August 28, 1989, and classified NFCG 288. The Bradfield selection will next be forwarded to the Bureau of Land Management for adjudication.

The approved selection covers the area of the east-side, preferred deep water marine transfer site, upland staging area, additional west-side waterfront acreage, and approximately the lower four miles of the proposed road route. The nominated lower road route includes adequate acreage for community and infrastructure development. The legal description for the approved selection is described as follows;

Bradfield Canal

NFCG 288

T.65S., R.89E., C.R.M.

Section 25: All

Section 26: N1/2, N1/2SW1/4, NW1/4NW1/4SE1/4, excl. USS 2623;

Section 36: N1/2N1/2

T.65S., R.90E., C.R.M.

Section 10: S1/2SE1/4;

Section 11: S1/2SW1/4, SE1/4;

Section 13: SW1/4NE1/4, S1/2NW1/4, SW1/4, W1/2SE1/4, SE1/4SE1/4;

Section 14: All;

Section 15: E1/2;

Section 19: W1/2

Section 20: S1/2N1/2, S1/2;

Section 21: S1/2

Section 22: N1/2, N1/2SW1/4, NW1/4SE1/4;

Section 23: N1/2N1/2, SW1/4NW1/4;

Section 24: N1/2N1/2

Section 29: W1/2NW1/4;

Section 30: All;

Section 31: N1/2NE1/4.

Containing 4,090 acres, more or less.

5.2 ENGINEERING AND COSTS

5.2.1. ROAD STANDARDS

Initial construction would be a 16 foot wide, single lane roadway with intervisible turnouts. Vertical alignment would be limited to 8 percent maximum with maximum horizontal curvature of 15 degrees. This standard of road has been used extensively throughout Southeast Alaska and within most National Forests and has shown that it can readily handle an ADT of 100 vehicles. With reasonable traffic control measures, this number could be increased.

The road subgrade should be constructed of shot rock or other materials which would be capable of supporting "off highway" vehicle loadings. Roadway surfaces would be a crushed gravel surfacing material.

The majority of the road traverses moderate to flat terrain. Previous corridor studies conducted by ADOT&PF suggest keeping the entire road on the west side of the Bradfield river. This study suggests moving the route to the east side to take advantage of the existing roadbed where possible. The first few miles of terrain along the west side of the river is fairly steep and provides minimal opportunity to place the roadway up, off the river flats. It is likely that the route would encounter extensive side hill cuts in locating the roadway in this area. See section 5.2.3., Route Reconnaissance.

Major drainage structures would be initially constructed as a double lane facility. The structure would be capable of supporting a single off highway vehicle or normal two way traffic with standard highway loadings. This approach has been used within the Tongass National Forest on routes where future upgrading is anticipated and has shown to be a cost effective alternative.

The initial tunnel construction standards are based on a 20-foot wide by 15-foot high bore. The tunnel would be self ventilating with lighting throughout. Based on our discussions with DOT&PF personnel, a 30-foot wide by 20-foot high bore was also evaluated for a measure to Federal Highway standards.

The assumptions used for marine terminal analysis provide for a 300 foot long steel sheetpile cell bulkhead with mooring dolphins at either end to allow tying up large draft open going vessels. There would be a 200' by 500' gravel surface staging area adjacent to the bulkhead. A wooden float with gangway would be provided to allow landing of small vessels and float planes.

The marine terminal was sited on the east side of the Bradfield Canal as it appeared during initial review that this location provides more protection from prevailing

southeast winds, avoids a major braided crossing at the mouth of the Bradfield River, and has suitable upland storage nearby the transfer point. The west shore appeared to form the major outwash zone of the Bradfield River contributing continuous silt loading, in addition to sidewall constraints for marine transfer. The August 1989 field reconnaissance verified these assumptions on marine transfer siting. Direct surface access to a deep water transfer site is more reliably provided by traversing the existing transmission cable routing which exits the Tyee powerhouse facility on an approach to the east side of Bradfield Canal, via an east-west corridor. A significant, near vertical, tidewater sidewall is encountered at the marine transfer point, and runs continuously along the eastern shore of Bradfield Canal. Recognizing the marine sidewall constraints, a combination of shallow drafted barge into the existing (Tyee project) transfer point on the Bradfield River, supporting vehicle and equipment transfer, in combination with the above described mooring dolphin facility at the tidewater site for storage and conveyor loading of concentrate direct to deep drafted vessels appears to support the range of transfer requirements.

5.2.2. ROUTE DESCRIPTION

The planned route would commence at a marine terminal located on the east side of the head of Bradfield Canal, approximately two miles west of the Tyee Lake Powerhouse (See figure 3). The route would then proceed along the south side of the Bradfield River, passing the powerhouse and continuing along the old timber access road. This would allow utilization of the existing roadbed. The route would cross the East Fork of the Bradfield at approximately M.P. 4.1 and continue up the east side of the North Fork crossing to the west side at approximately M.P. 11.3. The crossing would require fairly major drainage structures at M.P. 11.4 and 12.2. The route would then proceed up the west side of the drainage to approximately M.P. 21.2. At this point the route would either continue up the west side or cross to the east side of the drainage depending on the route alternative selected. The route would cross the height of land between the Bradfield River Drainage and the Craig River Drainage at approximately M.P. 25. The route would then proceed down the Craig River along its southeast side to approximately M.P. 29.5 where it would cross the Craig River to its western side and continue down the drainage, intersecting the Canadian Border at approximately M.P. 31.0 (See Map Pocket inside back cover for a 1"=1 mile route alignment map).

The B.C. Ministry of Mine, Energy and Petroleum is presently reviewing access alignments and conducting benefit-cost analysis of an Iskut River resource road, providing access from Bob Quinn Lake at Highway 37, west to Bronson Creek (nearby confluence of the Craig River and the Iskut River), with tributary road access to the U.S.-Canada border along the Craig River, and a second tributary road into the lower Unuk River drainage and Sulphurets Camp.

5.2.3. ROUTE RECONNAISSANCE

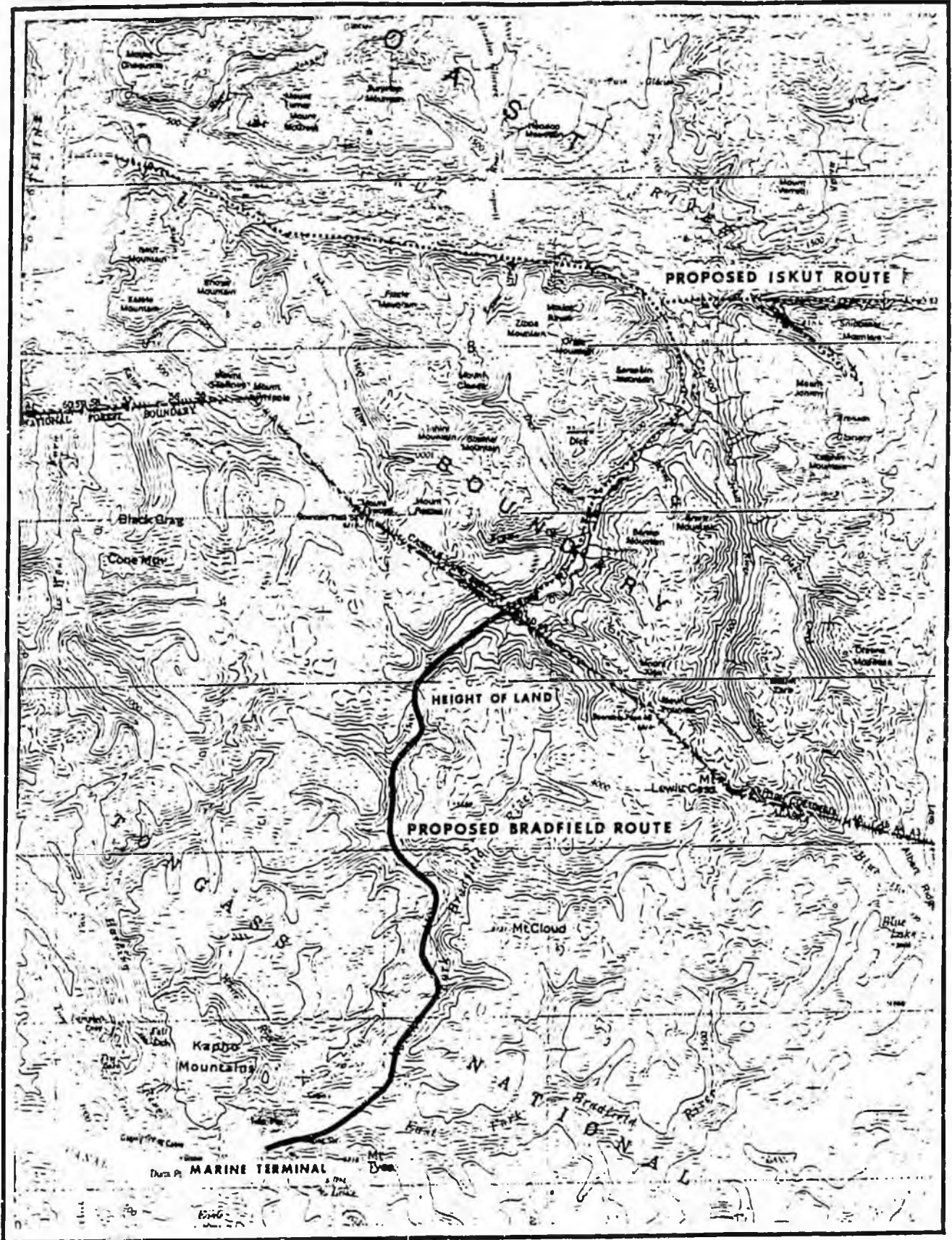
An aerial field reconnaissance of the proposed route was made on August 9, 1989. The work was done using a Hughes 500-D helicopter. An on the ground reconnaissance of the ground south of the height of land and the proposed south tunnel portal was also accomplished.

The reconnaissance confirmed that the road/tunnel alternative (Alternative 2) is the most practical approach. Considering the expense of constructing the road up over the height of land and then providing reasonable year around maintenance of that portion of the road makes the surface road alternative a poor choice. In the section from mile post 21, across the height of land and down to mile post 29 would be subject to numerous snow and rock debris avalanche zones. Construction would encounter extensive rock excavation, and from the height of land to mile post 29, the route would traverse an extremely steep side slope requiring a full bench section.

During the reconnaissance, the route along the west side of the Bradfield River from salt water to where the proposed route crosses the river at mile post 11-12 was reviewed. This specific west-side route alignment was identified by the Alaska Department of Transportation and Public Facilities in a supplemental Route Reconnaissance Study for the Bradfield River route in January 1986. This ADOT&PF alignment was chosen in part to mitigate perceived environmental constraints in placing the road along the present road located on the valley floor. Consequently, to place the route entirely on the west side of the river would require extended section of full bench construction and significantly higher cost. End haul would most likely be required to remove excess excavation so as to minimize the potential for impacting the valley floor below the route. Considering both the potential for environmental impacts and additional construction costs that would be encountered by locating the road in this area, it is felt the proposed east-side route location, as described in this report, is preferred.

The proposed route would encompass a good portion of the existing road bed (MP 2 to MP 11) which reduces the need for establishing new borrow sources and would result in less overall impacts to the Bradfield valley. All major streams and tributary drainages along the proposed route would utilize either bridges or open bottom culverts to minimize stream and fish habitat impacts. The west-side route would not reduce the number of stream and drainage crossings.

The reconnaissance of the proposed route did identify several areas where additional construction costs would be encountered over that anticipated in the draft report dated April 1989. The cost estimates for both Alternatives 1 and 2 were adjusted to recognize these changes as well as being updated to reflect current cost factors for performing the work.



**Bradfield Industrial Road Feasibility Study
ROUTE LOCATION MAP**



5.2.4. ROUTE ALTERNATIVES

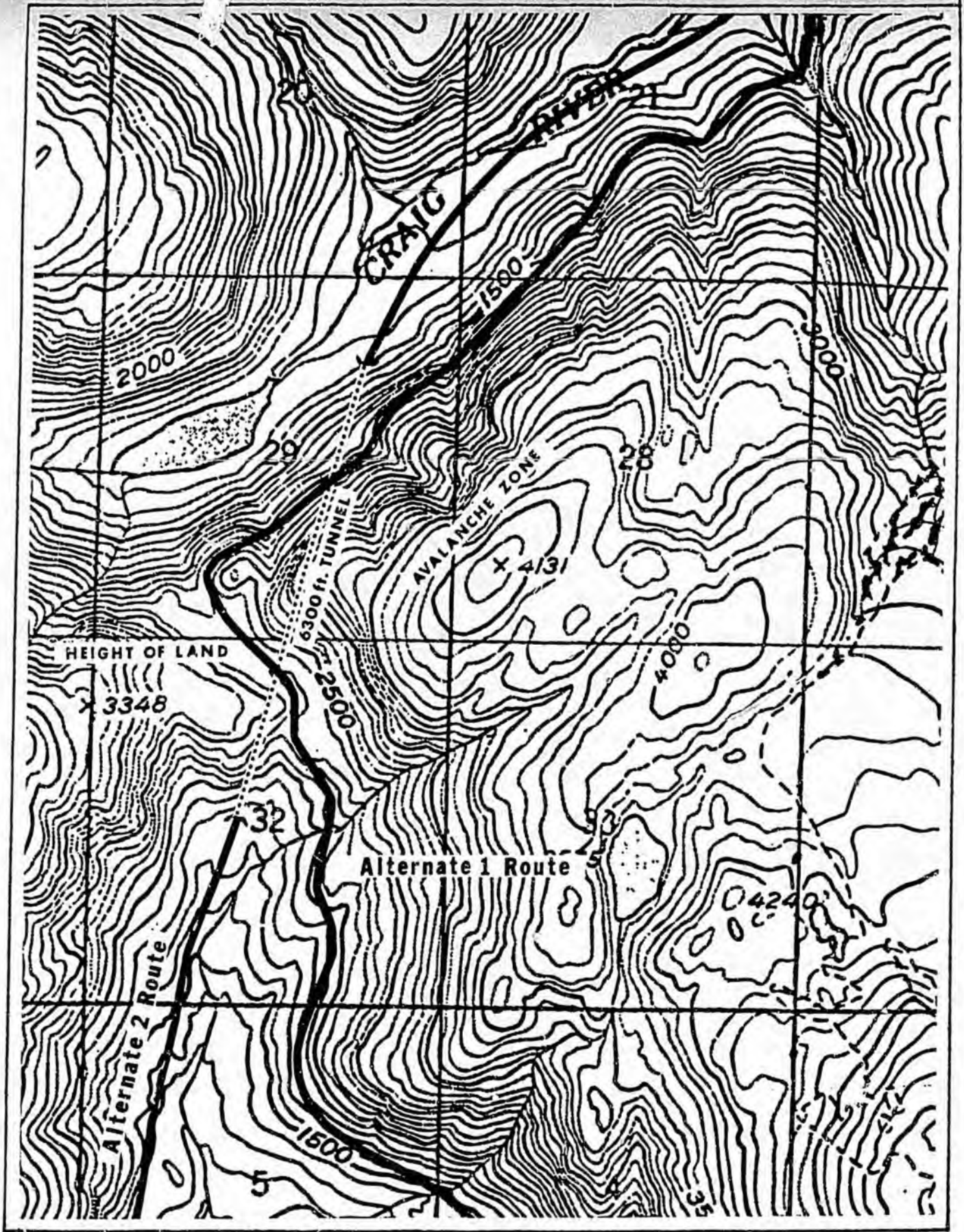
5.2.4.1. *Alternative 1.- Continuous Surface Road*

This alternative would involve construction of a continuous surface road from the marine terminal site to the Canadian border. The routing would require construction of 31.0 miles of road which will have basically a sustained gradient of 8% from M.P. 21 to M.P. 25.0 at the height of land, then a continued sustained 8% down to the Craig River at M.P. 29.4. The route also traverses excessively steep side slopes between M.P. 25 and M.P. 27 where a full bench roadway section as well as numerous avalanche sheds to protect the road users during winter travel will be required.

5.2.4.2. *Alternative 2.- Road/Tunnel*

This alternative uses a surface road with a 6300 foot long tunnel that allows the route to pass through the most adverse terrain at the height of land between the two river drainages. It reduces the extended adverse road gradients as well as allowing the route to avoid the high avalanche zones. This routing would result in an overall route length of 30.2 miles between the marine terminal and the border. See figure 4, Height of Land Crossing.

An alternative that utilized an aerial tramway for crossing the adverse terrain at the height of land between the two river drainages was considered, but dropped. Though initial construction costs for this alternative were the least expensive of the three considered, the requirement for transfer of goods and materials between the tramway and ground transport vehicles and the expense of operation and upkeep, resulted in the alternative appearing to be uneconomical.



Bradfield Industrial Road Feasibility Study
HEIGHT OF LAND CROSSING

SCALE 1" = 2000 FEET

5.2.5. CONSTRUCTION COST ESTIMATES

Based on location of the planned road and its construction standards, the U.S. Forest Service Cost Estimating Guide for the Tongass National Forest was used as the basis for estimating the road and drainage structure construction costs. The estimated costs were also evaluated against State of Alaska construction costs as well as other cost estimate data to help assure reasonableness.

	CONTINUOUS SURFACE ROAD	ROAD/TUNNEL
Road Mlilage	31.0 mi.	29.0 mi.
Tunnel length		6300 ft.
Road Construction	\$7,530,600	\$5,579,400
Bridges	2,477,000	2,172,800
Riprap	91,700	91,700
Guard Rail	90,600	30,200
Snow Sheds	4,874,800	-0-
Tunnel ¹	-0-	9,261,000
Subtotal	<u>\$15,064,700</u>	<u>\$16,783,000</u>
Mobilization	419,000	427,000
Construction Camp Costs	442,000	491,500
Construction Staking	195,100	163,600
Contingency (20%)	3,013,000	3,440,000
Preliminary Engineering	<u>835,000</u>	<u>953,000</u>
TOTAL	<u>\$ 19,969,000</u>	<u>\$ 22,676,900</u>

* Construction of a Bradfield Canal marine transfer terminal is estimated at \$3,000,000.00

¹ Costs for the tunneling are based primarily on data from the contractor who constructed the tunnels for the Snettisham Powerhouse tap of Crater Lake and those of a recent access tunnel at the Kensington Mine just north of Juneau. The Crater Lake bore was a 11-foot high, horseshoe bore while the Kensington access was a 15-foot high by 20-foot wide bore. Tunneling cost figures from past DOT&PF cost estimates and from Canadian construction projects were also analyzed. The tunneling costs reported below are estimated for a 30-foot wide by 20-foot high bore, design standards meeting Federal Highway standards. Costs for reducing to a 20 feet by 15 feet bore are estimated to be 40 percent lower than that reported for the larger bore. Based on information gathered, it appears that if the larger tunnel is needed at some future date, it would be most cost effective to do the larger bore initially.

5.2.6. MAINTENANCE AND OPERATION COSTS

Costs for both summer and winter maintenance of the Bradfield road are based on Department of Transportation and Public Facilities estimates. Data collected from the British Columbia Ministry of Transportation personnel indicate lower costs might likely be experienced, but based on discussions with those involved with this project and the costs being experienced on the road between Skagway and Carcross, it was felt that the best approach would be to use the higher cost figures.

ANNUAL MAINTENANCE AND OPERATION COSTS

	CONTINUOUS SURFACE ROAD	ROAD/TUNNEL
Summer Mtc.	\$404,000	\$348,000
Winter Mtc.	402,000	335,000
Avalanche Control	80,000	20,000
Tunnel Mtc. & Operation	-	120,000
TOTAL M&O	\$886,400	\$823,000

* Maintenance and Operation of Marine Terminal- \$100,000

5.2.7. HAUL COST ESTIMATES

Haul cost data for Alternative 1 (Continuous surface road to border) and Alternative 2 (Road/tunnel to border) were generated to initiate a benefit-cost analysis for the two Bradfield route alternatives. This haul cost analysis does not include the capital cost of the transportation facility. **In summary, the results indicate that Alternative 2 provides a net benefit in haul cost as the road/tunnel alignment helps minimize haul gradients.**

The haul cost in dollars per ton for the two Bradfield route alternatives are presented as follows;

BRADFIELD ROUTE ALTERNATIVES HAUL COSTS COMPARISONS

Bradfield River Alternative 1. (Continuous Surface Road)

Terminal to Border

Highway Vehicles	\$24.69/ton
Off-Highway Vehicles	\$21.85/ton

Border to Terminal

Highway Vehicles	\$24.55/ton
Off-Highway Vehicles	\$21.97/ton

Bradfield River Alternative 2. (Road/Tunnel)

Terminal to Border

Highway Vehicles	\$22.47/ton
Off-Highway Vehicles	\$19.65/ton

Border to Terminal

Highway Vehicles	\$22.31/ton
Off-Highway Vehicles	\$19.46/ton

A second set of data was generated to allow a haul cost comparison of transporting targeted resource commodities to two differing marine transfer points- the Bradfield marine transfer site versus the Stewart, British Columbia transfer site. As the basis of comparison, the Bradfield road/tunnel alternative would serve as the haul routing to the Bradfield marine transfer site, contrasted by a haul routing along the Iskut River to Bob Quinn Lake and on to Stewart via the Cassiar Highway. (See Location Map, page 4). The average haul cost in dollars per ton for the Bradfield route versus the Iskut/Stewart route are presented as follows;

HAUL COST COMPARISON BY ROUTE

Bradfield Route:

Bronson Creek to Bradfield terminal: 47 miles one-way
Standard Highway Vehicles :\$35.44/ton

Iskut/Stewart Route:

Bronson Creek to Stewart port: 158 miles one-way
Standard Highway Vehicles: \$102.00/ton

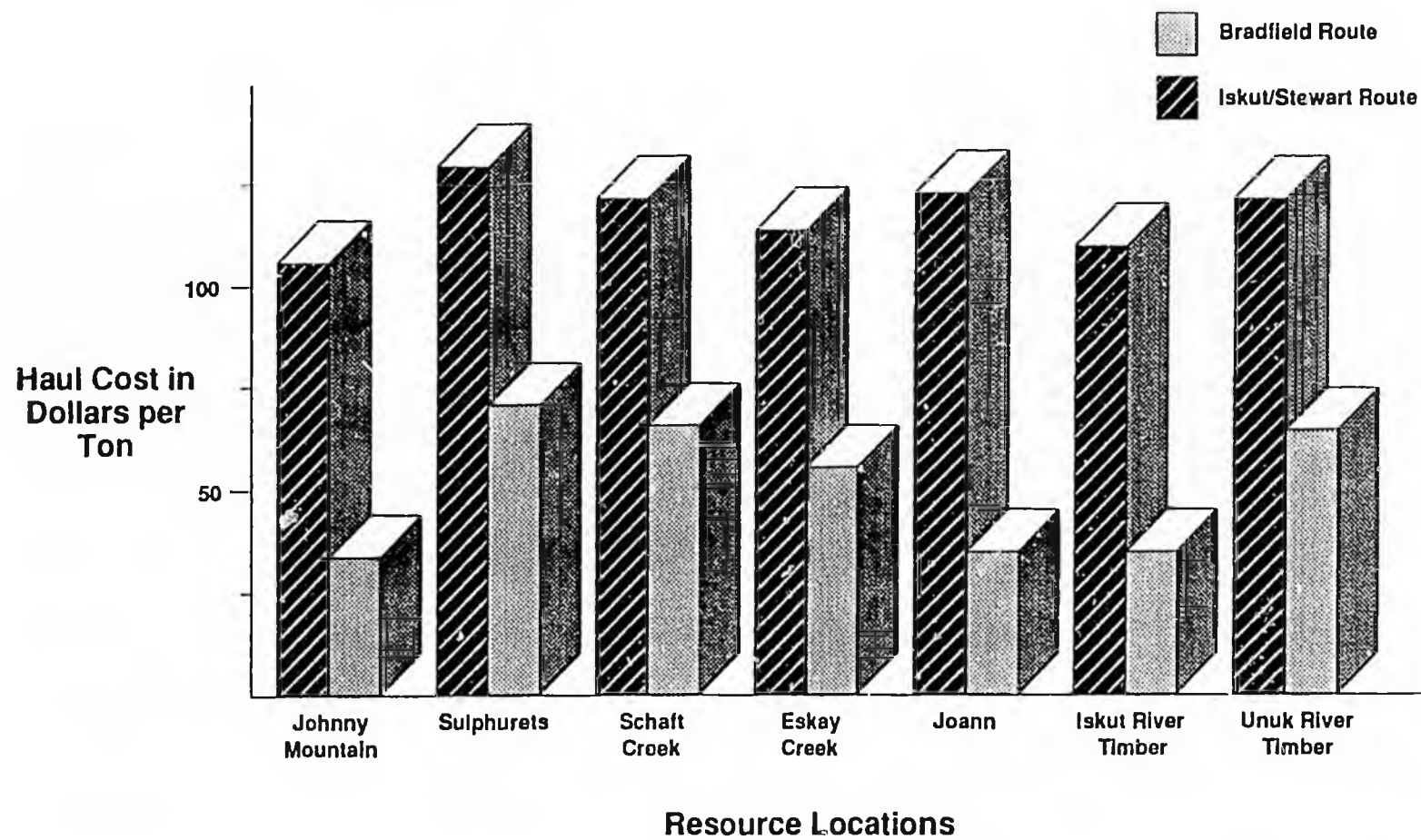
There was no attempt made to try to estimate construction costs for other Canadian tributary routes. The costs used for the British Columbia portion of the routing are general in nature as data for the actual road gradients is not readily available. This data would certainly need further expansion before one could make any actual haul direction determinations. Recent submissions of alignment studies to the B.C. Ministry of Mines, Energy and Petroleum will provide current cost data for the various arterial sections of the Iskut routing, notably the link serving Bronson Creek to border, and the Unuk river and Sulphurets area.

As a final expansion of the haul cost comparisons, five of the listed mineral properties found on Table 1, in addition to the Iskut River and Unuk River timber supplies were targeted as commodity haul sources. The haul cost estimates for the Canadian mineral resources used in this comparison are based on mileage estimates originating from the source properties. As for the timber supply, a mean point of origin within the operable area was used as the basis for mileage for each of the two timber supply regions. The haul cost comparisons are based on standard highway vehicle loads and expressed in dollars per ton. See Figure 5- Haul Cost Comparisons, on the following page.

FIGURE 5
Haul Cost Comparisons

STANDARD HIGHWAY VEHICLES

September 1989



6.0 ECONOMIC ANALYSIS OF ALTERNATIVES

The evaluation of alternatives was initiated with a comparison between the two route alternatives 1 and 2 (road vs. road/tunnel) for the Bradfield route. It is concluded the primary difference between the two Bradfield route alternatives is the additional costs in construction of the Federal Highway standard tunnel. In the initial analysis, a smaller tunnel bore (20-foot x 15-foot) was considered and indicated the road/tunnel option to be the preferred alternative. When the larger bore (30-foot x 20-foot) was incorporated in the analysis, for reasons of addressing Federal Highway standards, the continuous surface road became the better alternative, with an estimated 4.5% rate of return over the road/tunnel alternative. Considering the haul cost savings and the likelihood of being better able to maintain a transportation corridor year around through use of the tunnel, the remainder of the economic analysis was run using the road/tunnel alternative for the Bradfield route. The August 1989 route reconnaissance confirms this conclusion (See section 5.2.3).

Two economic comparisons were then evaluated between the Bradfield Route, using the road/tunnel alternative and the Iskut/Stewart Route. For these comparisons, the construction and haul costs analysis used Bronson Creek as the point of origin for mineral and timber supply movement, with contrasting destination of Bradfield marine transfer site versus the Stewart port.

The first of the two Bradfield versus Iskut/Stewart route comparisons (See Section 6.2) looked at the relationship between the two routes considering just construction and maintenance costs. The cost of road construction and maintenance are derived using Bronson Creek as the point of origin. It is assumed that the cost of transporting commodities to this point from specific properties in the Iskut District would be similar, regardless which final route was chosen to tidewater. **Under this scenario, the Bradfield route demonstrates a favorable 13.6 percent rate of return over the Iskut/Stewart route.**

The second of the two Bradfield versus Iskut/Stewart route comparisons included the haul cost expense in addition to the road construction and maintenance costs found in the previous comparison. The cost for the marine terminals and their operation were not included due to limited cost data for expanded operations at the port of Stewart. Consequently, the assumption was made that the marine transfer development costs would be similar for both sites. In this comparison, the lesser haul cost associated with the Bradfield route is the key cost parameter which demonstrates the Bradfield as the route providing the greatest benefit to cost. **Under this scenario, the Bradfield route demonstrates a more favorable 42.6 percent rate of return over the Iskut/Stewart route.**

In summary, the haul cost relationship proves to be the significant cost parameter

throughout this evaluation. The haul cost saving associated with the shorter Bradfield route identifies this route as the preferred alternative using strictly a haul cost analysis and, as shown above, plays the biggest role in strengthening the rate of return on investment when incorporated as a contributor to total operating cost.

The following analysis of the alternatives found in sections 6.1-6.3 used a 20 year life, a minimum rate of return of 10% and a 5% per year increase in annual expense costs. The evaluation of the two Bradfield routes (Section 6.1) and the Bradfield versus Iskut/Stewart alternatives (Section 6.2 and 6.3) assumed an initial haul volume of 30,000 tons with an annual increase of 5%. As the reduction in haul costs by use of the Bradfield is significant, any increase in annual haul volume results in an increase in the rate of return for the Bradfield Route. The costs for the construction, operation and maintenance do not include the marine terminal. As previously stated, without better cost data for the port of Stewart, the premise was taken that marine transfer costs would be experienced equally for both terminal locations.

The costs associated with the use of both off-highway and on-highway vehicles were analyzed. As it is unlikely that off-highway vehicles would be allowed on the Cassiar Highway, the benefit-cost analysis were done using on-highway vehicle costs only.

6.1 BRADFIELD ROUTE ALTERNATIVES EVALUATION

Alternative 1- Continuous Surface Road

Alternative 2- Road/Tunnel

*includes Construction, Operation and Maintenance, and Haul cost

-Abstract-

This evaluation was done to compare the relationship between the surface road alternative and the road/tunnel alternative. As shown, the surface road option was the better alternative, only as the result of the costs incurred in going to the larger tunnel bore to meet Federal Highway standards. Reducing the bore size with compliance to the proposed roadway standard results in the road/tunnel option becoming the better alternative. Although the results indicate a preference for the surface road option, the remaining analysis used the road/tunnel option as it is felt that this alternative would be more reliable in providing a year around roadway. The operating and haul costs reflect the costs assuming haul from the border to the marine terminal.

MRRR (%):	10	
Study period (years):	20	
Tax status:	Before-tax analysis	
	ROAD	ROAD\TUNNEL
Investment value (\$):	1.9969E+07	2.26769E+07
Salvage value (\$):	0	0
Economic life (years):	20	20
Present worth (\$):	-3.864462E+07	-3.971618E+07
Annual worth (\$):	-4539182	-4665047
Rate of return (%):		4.483915

The better alternative is: ROAD

Year	ROAD			ROAD\TUNNEL		
	Annual Income	Annual Expense	Annual Tax	Annual Income	Annual Expense	Annual Tax
1	\$0. \$1,541,900.		\$0.	\$0. \$1,406,800.		\$0.
2	\$0. \$1,618,995.		\$0.	\$0. \$1,477,140.		\$0.
3	\$0. \$1,699,945.		\$0.	\$0. \$1,550,997.		\$0.
4	\$0. \$1,784,942.		\$0.	\$0. \$1,628,547.		\$0.
5	\$0. \$1,874,189.		\$0.	\$0. \$1,709,974.		\$0.
6	\$0. \$1,967,898.		\$0.	\$0. \$1,795,472.		\$0.
7	\$0. \$2,066,293.		\$0.	\$0. \$1,885,246.		\$0.
8	\$0. \$2,169,607.		\$0.	\$0. \$1,979,508.		\$0.
9	\$0. \$2,278,088.		\$0.	\$0. \$2,078,483.		\$0.
10	\$0. \$2,391,992.		\$0.	\$0. \$2,182,408.		\$0.
11	\$0. \$2,511,591.		\$0.	\$0. \$2,291,528.		\$0.
12	\$0. \$2,637,171.		\$0.	\$0. \$2,406,104.		\$0.
13	\$0. \$2,769,029.		\$0.	\$0. \$2,526,409.		\$0.
14	\$0. \$2,907,481.		\$0.	\$0. \$2,652,729.		\$0.
15	\$0. \$3,052,855.		\$0.	\$0. \$2,785,366.		\$0.
16	\$0. \$3,205,497.		\$0.	\$0. \$2,924,634.		\$0.
17	\$0. \$3,365,772.		\$0.	\$0. \$3,070,865.		\$0.
18	\$0. \$3,534,060.		\$0.	\$0. \$3,224,408.		\$0.
19	\$0. \$3,710,763.		\$0.	\$0. \$3,385,629.		\$0.
20	\$0. \$3,896,301.		\$0.	\$0. \$3,554,910.		\$0.

6.2 BRADFIELD ROUTE vs ISKUT-STEWART ROUTE EVALUATION 1

*includes Construction and Maintenance Cost

-Abstract-

This analysis is based on using only the road construction and maintenance portion of the overall operating costs. Road construction and maintenance costs are developed using the Bronson Creek airstrip as the point of origin. Bronson Creek represents the point on the proposed transportation system common to both route alternatives. The Bradfield route represents a favorable 13.6 % rate of return over the Iskut/Stewart route.

MRRR (%):	10	
Study period (years):	20	
Tax status:	Before-tax analysis	
	BRADFIELD ROUTE	ISKUT\STEWART ROUTE
Investment value (\$):	2.60618E+07	1.67465E+07
Salvage value (\$):	0	0
Economic life (years):	20	20
Present worth (\$):	-3.984534E+07	-4.279232E+07
Annual worth (\$):	-4680219	-5026369
Rate of return (%):		13.62651

The better alternative is: BRADFIELD ROUTE

Year	BRADFIELD ROUTE			ISKUT\STEWART ROUTE		
	Annual Income	Annual Expense	Annual Tax	Annual Income	Annual Expense	Annual Tax
1	\$0.	\$1,138,000.	\$0.	\$0.	\$2,150,400.	\$0.
2	\$0.	\$1,194,900.	\$0.	\$0.	\$2,257,920.	\$0.
3	\$0.	\$1,254,645.	\$0.	\$0.	\$2,370,816.	\$0.
4	\$0.	\$1,317,377.	\$0.	\$0.	\$2,489,357.	\$0.
5	\$0.	\$1,383,246.	\$0.	\$0.	\$2,613,825.	\$0.
6	\$0.	\$1,452,408.	\$0.	\$0.	\$2,744,516.	\$0.
7	\$0.	\$1,525,029.	\$0.	\$0.	\$2,881,741.	\$0.
8	\$0.	\$1,601,280.	\$0.	\$0.	\$3,025,828.	\$0.
9	\$0.	\$1,681,344.	\$0.	\$0.	\$3,177,120.	\$0.
10	\$0.	\$1,765,411.	\$0.	\$0.	\$3,335,975.	\$0.
11	\$0.	\$1,853,682.	\$0.	\$0.	\$3,502,774.	\$0.
12	\$0.	\$1,946,366.	\$0.	\$0.	\$3,677,912.	\$0.
13	\$0.	\$2,043,684.	\$0.	\$0.	\$3,861,808.	\$0.
14	\$0.	\$2,145,868.	\$0.	\$0.	\$4,054,898.	\$0.
15	\$0.	\$2,253,161.	\$0.	\$0.	\$4,257,643.	\$0.
16	\$0.	\$2,365,819.	\$0.	\$0.	\$4,470,525.	\$0.
17	\$0.	\$2,484,110.	\$0.	\$0.	\$4,694,051.	\$0.
18	\$0.	\$2,608,315.	\$0.	\$0.	\$4,928,753.	\$0.
19	\$0.	\$2,738,731.	\$0.	\$0.	\$5,175,191.	\$0.
20	\$0.	\$2,875,667.	\$0.	\$0.	\$5,433,950.	\$0.

6.3 BRADFIELD ROUTE vs ISKUT-STEWART ROUTE EVALUATION 2

*includes Construction , Maintenance and Operation Cost, and Haul Cost

-Abstract-

This analysis is based on the total operating costs which includes haul cost. The inclusion of Haul cost in this analysis represented a significant cost parameter as the Bradfield route assumes a 42.6 % favorable rate of return over the Iskut/Stewart route.

MRRR (%):	10	
Study period (years):	20	
Tax status:	Before-tax analysis	
	BRADFIELD ROUTE	ISKUT\STEWART ROUTE
Investment value (\$):	2.00618E+07	1.67465E+07
Salvage value (\$):	0	0
Economic life (years):	20	20
Present worth (\$):	-5.168612E+07	-8.494959E+07
Annual worth (\$):	-6071032	-9978147
Rate of return (%):	42.65778	

The better alternative is: BRADFIELD ROUTE

Year	BRADFIELD ROUTE			ISKUT\STEWART ROUTE		
	Annual Income	Annual Expense	Annual Tax	Annual Income	Annual Expense	Annual Tax
1	\$0.	\$2,115,600.	\$0.	\$0.	\$5,631,000.	\$0.
2	\$0.	\$2,221,380.	\$0.	\$0.	\$5,912,550.	\$0.
3	\$0.	\$2,332,449.	\$0.	\$0.	\$6,208,177.	\$0.
4	\$0.	\$2,449,071.	\$0.	\$0.	\$6,518,585.	\$0.
5	\$0.	\$2,571,525.	\$0.	\$0.	\$6,844,514.	\$0.
6	\$0.	\$2,700,101.	\$0.	\$0.	\$7,186,740.	\$0.
7	\$0.	\$2,835,106.	\$0.	\$0.	\$7,546,076.	\$0.
8	\$0.	\$2,976,861.	\$0.	\$0.	\$7,923,380.	\$0.
9	\$0.	\$3,125,704.	\$0.	\$0.	\$8,319,548.	\$0.
10	\$0.	\$3,281,980.	\$0.	\$0.	\$8,735,525.	\$0.
11	\$0.	\$3,446,088.	\$0.	\$0.	\$9,172,301.	\$0.
12	\$0.	\$3,618,393.	\$0.	\$0.	\$9,630,916.	\$0.
0.	\$0.	\$3,799,312.	\$0.	\$0.	¥\$10,112,461.	\$
0.	\$0.	\$3,989,278.	\$0.	\$0.	¥\$10,618,084.	\$
0.	\$0.	\$4,188,741.	\$0.	\$0.	¥\$11,148,988.	\$
0.	\$0.	\$4,398,178.	\$0.	\$0.	¥\$11,706,437.	\$
0.	\$0.	\$4,618,087.	\$0.	\$0.	¥\$12,291,758.	\$
0.	\$0.	\$4,848,991.	\$0.	\$0.	¥\$12,906,345.	\$
0.	\$0.	\$5,091,440.	\$0.	\$0.	¥\$13,551,662.	\$
0.	\$0.	\$5,316,012.	\$0.	\$0.	¥\$14,229,244.	\$

7.0 OTHER CONSIDERATIONS

7.1 POWER SUPPLY OPTIONS

Power supply options have been examined by B.C. Hydro for supplying regional power to the existing mine at Johnny Mountain as well as other potential mine developments throughout Northwest British Columbia. In all cases, the results were subject to unforeseeable start-up dates for mine development and general uncertainties relating to the potential Stikine/Iskut hydro electric project.

Four power supply options are considered:

- Option 1) Extension from British Columbia Hydro's grid.
- Option 2) Hydro generation near mine sites (more creek for Shaft Creek and/or Stikine Copper, and small hydro, where identified, for other mines.
- Option 3) Diesel generators at mine sites
- Option 4) Extension from Tye Lake Hydro at Bradfield Canal.

Option 1 is contingent on the Stikine/Iskut Power Project, a foreseeably delayed opportunity due to many environmental and political considerations.

Options 2 and 3 suggest, in most cases, diesel operation is preferred to small hydro as an on-site source of electricity.

Option 4 The average energy costs from the Tye Project should provide more efficient operation, improve power reliability, and is compatible with Regional Inter tie System Development.

Power supply options 1 and 4 are biased upward for mines and potential mines where supplemental diesel operation is required because of the start-up date of the mine precedes the earliest, feasible, in-service date for another source of power such as the potential Stikine/Iskut power project or Tye Power. Thus, if mine start-up is sensitive to power costs, it may be advantageous for some potential mines to delay production until after a network power project proceeds.

This is not to suggest that a decision on the Stikine/Iskut or Tye extension can be based on mine development in the region. Such a decision must be based on future regional energy demand, possible energy export demand and the successful negotiation of international agreements.

Extension of Tye Hydroelectric Project power via the Bradfield Corridor is supported by the Alaska Energy Authority consistent with Federal Law providing for the export and sale of electricity and electric power lines crossing international borders

(Department of Energy-Guide to Authorization Procedures, November 1980). A Harza Engineering Study released in October 1987, for the Alaska Power Authority - Transmission Intertie Study concludes:

- 1) An economic potential for utilization of surplus power from Tyee, and
- 2) Interconnecting Tyee to various mining projects is supported, in most cases, by the close geographical proximity of District mining properties

7.2 FUNDING OPTIONS

An assessment of present and near term availability of capital funds for access road development required review of four principal sources:

- 1) State of Alaska General Fund
- 2) FHWA - (Federal Highway Funds)
- 3) AIDEA Funds - (Alaska Industrial Development and Export Authority)
- 4) Toll Facility Revenue Bonds
- 5) Mining Industry Capitalization

Subject to source number 1) The state of Alaska General Fund appears very remote. Present capital funds are restricted to declining state revenues, and highly prioritized statewide public transportation objectives. In simple terms the general fund allocation in its present form and rate of growth is regionally and fractionally apportioned to meet diverse operational needs. The net effect being a poor source for single-use capital intensive investment.

Subject to source number 2) The 1988 Federal Highway Fund apportionment for the State of Alaska was \$150-160 million. The Department of Transportation S.E. Region allocation was less than 10 percent or roughly \$13 million. For the same problematic reasons as the State General Fund, the Southeast Regional Funds are allocated throughout the region for public transportation needs and provide little opportunity for access road development. The opportunity for FHWA source funding would require strict prioritization. Southeast regional funding allocation, an option receiving very little support due to the range of facility funding needs presently recognized throughout the region.

Subject to source number 3) The Alaska Industrial Development and Export Authority Funds provide the greatest opportunity for access road capital funds. The authority was created by the Alaska State Legislature in 1967 pursuant to the Industrial Development Act to finance industrial and business enterprises for the purpose of promoting the general prosperity and economic welfare of the people of the state, and to relieve problems of unemployment.

In February 1987 an AIDA agreement entitled Delong Mountain Transportation Project, provided for the authority to construct, own and operate a 52 mile road and deepwater port to serve the Red Dog Mineral Deposit. Proceeds from revenue bonds issued by the authority and state appropriations ensure project financing. The initial principal user of the project is Cominco Alaska Incorporated, and under the agreement Cominco is to pay the authority established Toll Fees including certain "Pledged Revenues" or minimum annual assessment. Total project expenditures are assigned at \$165 million. Toll charges are presently assessed at a rate which is expected to repay construction costs over a 50-year period, inclusive of a 6.5 percent rate of return. The tolls may be reevaluated, and subject to change, based on volume and value shipped. It is important to recognize that the Red Dog project is designed as a single-user project, that Cominco Alaska Incorporated holds complete liability to provide cost recovery tolls and other pledged revenues. In the case of the Bradfield Road project, the cost recovery responsibility will likely be shared by multi-users, the numbers and attitudes of which are unclear at this time.

Authority funding for the Bradfield Industrial Road would be dependent upon satisfactory arrangements being consummated between the users of the facility and the Authority. Those user(s) agreements would have to contain acceptable financial provisions to ensure that funds utilized for the construction and operation of the facility would be repaid by those using the transportation system. Arriving at such mutually satisfactory agreements will require direct negotiations between the potential users, i.e. mining industry, as well as the Government of British Columbia and the State of Alaska.

Subject to Source number 4) The State of Alaska may issue Toll Facility Revenue Bonds pursuant to Alaska Statutes 27.15.610-760 to acquire or construct toll highways, bridges, tunnels, and other facilities. The issuance of bonds would require that:

- a) They be found necessary by the commissioner of transportation and public facilities;
- b) The commissioner submit a feasibility study to the Governor and Legislature demonstrating financial feasibility and including, if necessary, a description of other funding sources required for feasibility;
- c) the office of management and budget review the study and report its findings to the Governor and legislature; and
- d) the legislature approve the bonds.

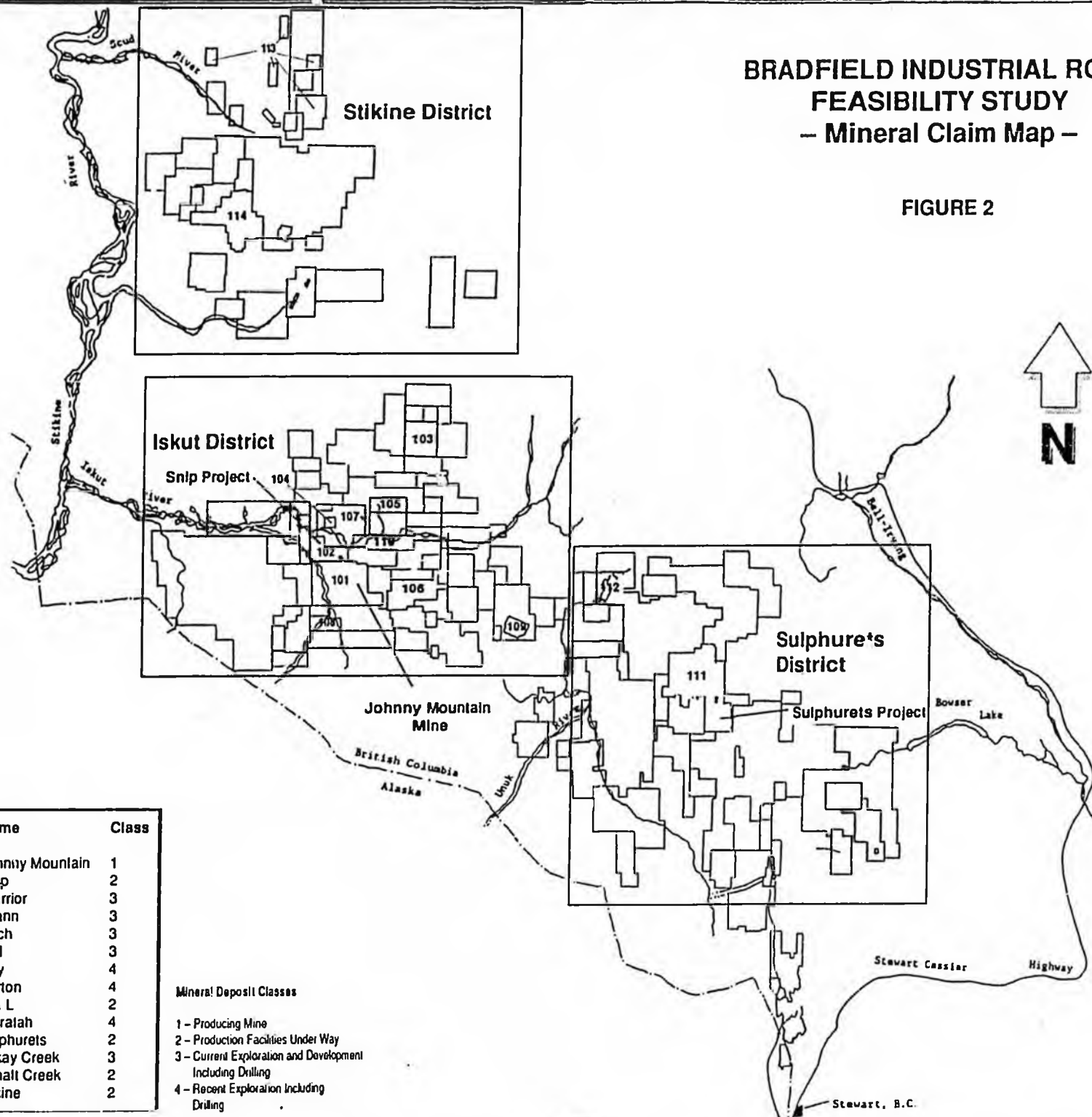
Similar to AIDEA financing, financial feasibility would require user agreements to assure payment of a minimum amount of tolls for a specified period of time. The minimum level of tolls, net of operating and maintenance costs, would need to

exceed some multiple of the debt service on the bonds. This is referred to as "coverage". Depending on the risk of the project, coverage requirements may range from 1.25 to over 2.00 times annual debt service.

Subject to source number 5) Canadian mining industry capitalization for access road and port development. Recommendations are for the Alaska Department of Transportation to maintain dialogue with the Canadian study team evaluating Iskut River access routes and associated cost estimates. Upon completion of the Iskut River Alignment study and subsequent benefit cost analysis, overall facility cost and user efficiency may be more clearly defined against the Bradfield alternative. In the past, the British Columbia Province has expected the private sector to take the lead responsibility for mine access road development. This position has only strengthened with poor outlooks for provincial infrastructure capital. The Canadian mining industry will carefully evaluate salt water access with maximum utility and minimal debt service for long term mine viability.

BRADFELD INDUSTRIAL ROAD FEASIBILITY STUDY – Mineral Claim Map –

FIGURE 2



Map #	Name	Class
101	Johnny Mountain	1
102	Snip	2
103	Warrior	3
104	Joann	3
105	Bach	3
106	Inel	3
107	Ray	4
108	Burton	4
109	E & L	2
110	Waralah	4
111	Sulphurets	2
112	Eskay Creek	3
113	Schalt Creek	2
114	Stikine	2

Mineral Deposit Classes

- 1 - Producing Mine
- 2 - Production Facilities Under Way
- 3 - Current Exploration and Development Including Drilling
- 4 - Recent Exploration Including Drilling

S B

366

STEVE FRANK
DISTRICT K
SEAT A

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3709
Capitol Rm. 514

Alaska State Legislature




Senate

MEMBER
Finance Committee
Resources Committee
Legislative Council
Special Committee on Banking &
Economic Development

VICE-CHAIR
Community & Regional
Affairs Committee

MEMORANDUM

TO: All Senators

FROM: Senator Steve Frank 

RE: Legislation to Open the Dalton Highway to the Public

DATE: August 4, 1989

I plan to introduce legislation to open the James Dalton Highway (North Slope Haul Road) for public travel all the way to Prudhoe Bay and I would welcome your co-sponsorship.

As you all know the Dalton Highway is maintained by the Department of Transportation and Public Facilities with state general fund dollars. However, access past Disaster Creek is limited to those with a "commercial purpose." In my opinion, it is inappropriate for the average citizen to be denied the privilege of driving a road that they pay for, whether directly or indirectly.

Recently I returned from a trip up the Dalton Highway with the Department of Transportation and I was impressed with the unique beauty of this land. More surprising to me, however, was the tremendous potential for tourism that is just barely being tapped.

It has been over a decade since the road was turned over to the state. The road has been opened further and further over time and our experience has been good. In my opinion, concerns about the impact on the wildlife and safety of the traveling public so far have not proven to be significant and those legitimate ones can be addressed. This is evidenced by the support of the Cowper administration's departments of Transportation and Public Safety.

I think that it is time that we open this public road to the public and I look forward to working with you on this legislation in the upcoming session. For more information please contact Rick Solie of my staff at 452-3421.

Thank you for your consideration.

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723

Phone: 907-852-2611

George N. Ahmaogak, Sr., Mayor



January 16, 1990

Senator Al Adams
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99801

RE: S.366 - Dalton Highway

Dear Senator Adams,

The North Slope Borough's position of record on the opening of the Dalton Highway to free access by the public has historically been one of opposition. The Borough's reasons for opposing legislation to open the haul road are well-documented in previous testimony and position papers, and are solely concerned with adequate protections in law for both the public and for Borough residents and resources: increased patrols by Public Safety and Fish and Game officers with oversight concentrated in the most active hunting areas; citation and prosecution of offenders in the taking of wildlife; full emergency services; and provision of roadside services.

Adequate funding to guarantee these protections at an effective level has been sadly lacking in previous proposed legislation. We again seek to continue limited and controlled access to the Dalton Highway unless and until legislation to open the road includes fiscal notes to satisfy our reasonable concerns.

We again request your help in preserving the Borough's position on S.366, and ask that this letter be submitted for inclusion in the Senate Transportation Committee packet for the hearing scheduled on Tuesday, January 16.

Very truly yours,

Anthony Kesler, Manager
State Government Affairs

cc: Representative Eileen MacLean

STEVE FRANK
DISTRICT K
SEAT A

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701

While in Juneau
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Juneau, Alaska 99811
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Alaska State Legislature



Senate

MEMBER
Finance Committee
Resources Committee
Legislative Council
Special Committee on Banking &
Economic Development

VICE-CHAIR
Community & Regional
Affairs Committee

INTENT LANGUAGE - SB 366

It is the intent of the Legislature that the Department of Transportation and Public Facilities work with the operators of the Prudhoe Bay oil fields to allow access beyond the security checkpoints to the Arctic Ocean and that the operators of the oil fields continue to maintain those roads which are beyond the security checkpoints.

FIRST COMMITTEE OF REFERRAL

DATE: January 8, 1990

FURTHER: State Affairs
Finance

Date of 5-Day Notice: 1/16/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 1/16/90

Transportation Committee considered

SENATE BILL NO. 366

"An Act relating to the Dalton Highway."

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) DOT PF 1/8
DPS 1/12

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Pat Louchart with further wildlife protections
[Signature]
[Signature]

[Signature] (Do Pass)
Chair: Signature and Recommendation

STEVE FRANK
DISTRICT K
SEAT A

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701

While in Juneau
P.O. Box V
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Alaska State Legislature



Senate

MEMBER
Finance Committee
Resources Committee
Legislative Council
Special Committee on Banking &
Economic Development

VICE-CHAIR
Community & Regional
Affairs Committee

MEMORANDUM

TO: Senate Transportation Committee

FROM: Senator Steve Frank

RE: Senate Bill 366 "An Act relating to the Dalton Highway."

DATE: January 16, 1990

SB 366 would open the James Dalton Highway (North Slope Haul Road) for public travel all the way to Prudhoe Bay.

The Dalton Highway is maintained by the Department of Transportation and Public Facilities (DOT/PF) with state general fund dollars. However, access past Disaster Creek is limited to those with a "commercial purpose." In my opinion, it is inappropriate for the average citizen to be denied the privilege of driving a road that they pay for, whether directly or indirectly.

This summer I participated in a DOT/PF sponsored trip up the Dalton Highway and I was impressed by the unique beauty of the land. There is a tremendous potential for tourism business that is just barely being tapped.

It has been over a decade since the road was turned over to the state. During that time the highway has been opened further and further and our experience has been good. I believe, concerns about the impact on the wildlife and the safety of the traveling public so far have not proven to be significant and those legitimate ones can be addressed.

The Cowper administration's Department of Transportation has been supportive of opening the highway and the other affected agencies have indicated that they can adequately handle the additional traffic and any impact on wildlife.

I think that it is time that we open this public road to the public. Thank you for your consideration

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: SB 366
PUBLISH DATE: 1/08/90

REQUEST: FISCAL NOTE

Revision Date:
Title: An Act Relating to the Dalton Highway
Sponsor: Frank
Requestor: Frank

Agency Affected: DOT&PF
BRU: Northern Region Interior M&O
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	12.0	12.0	12.0	12.0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	20.0	20.0	20.0	0	0	0
SUPPLIES	0	0	0	20.0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	32.0	32.0	32.0	32.0	0	0
CAPITAL	92.0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	124.0	32.0	32.0	32.0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	124.0	32.0	32.0	32.0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: See Attached.

Prepared by: Paul Prusak
Division: Northern Region Planning

Phone: 474-2427
Date: 1/12/90

Approved by Commissioner: 
Agency: Department of Transportation and Public Facilities

Date: 1/15/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE BACKUP
SB-366

1/12/90

1. Assumptions

Four wayside facilities are needed with vault toilets and litter barrels; two of these facilities should include campsites. Locations, construction and maintenance would have to be coordinated by DNR and BLM. Due to the remote location, litter barrel maintenance would likely fall on DOT&PF.

2. Capital Costs

Two Campsite Facilities	\$33,000
Four Vault Toilets	52,000
Information Signs	2,000
Bear Proof Litter Barrels	<u>4,000</u>

TOTAL \$92,000

3. Operating Costs

Personal Services:	\$12,000
New Costs: Campsite/Litter Barrel Maintenance	
Contractual Services:	\$20,000
New Costs: Toilet Maintenance	

TOTAL IMPACT \$32,000

These figures indicate an annual maintenance cost of \$32,000 for new roadside facilities. The contractual cost for seasonal operation of the Dietrich Checkpoint was \$20,000 in 1987 and increased to \$44,000 in 1989. However, direct funding was not provided for the checkpoint operation and the cost was absorbed by the Dalton Highway operating budget. Therefore, closing the checkpoint does not represent a net savings.

4. Note: Also see the attached Fiscal Note prepared in February, 1988 for HB-115. Conditions and assumptions noted above are slightly different.

1 IN THE HOUSE

BY FRANK, MILLER AND BOYER

2

HOUSE BILL NO. 115

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to public use of the Dalton High-
7 way."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 19.40.110 is repealed and reenacted to read:

10 Sec. 19.40.110. PUBLIC USE OF THE HIGHWAY. The department shall
11 maintain the highway between the Yukon River and the Arctic Ocean and
12 shall keep the highway open to the public throughout the year without
13 a toll for use of the highway or a portion of the highway.

14 * Sec. 2. AS 19.40.100 is repealed.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
 Title: Dalton Highway Maintenance
and Access BRU: Alaska State Troopers
 Sponsor: Senor Frank, etc. Component: Detachments
 Requestor: Senate Transportation

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	243.3	243.3	243.3	243.3	243.3	243.3
TRAVEL	6.0	6.0	6.0	6.0	6.0	6.0
CONTRACTUAL	91.0	91.0	91.0	91.0	91.0	91.0
SUPPLIES	9.9	9.9	9.9	9.9	9.9	9.9
EQUIPMENT	77.4	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	427.6	350.2	350.2	350.2	350.2	350.2

CAPITAL	322.0	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	749.6	350.2	350.2	350.2	350.2	350.2
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	749.6	350.2	350.2	350.2	350.2	350.2

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

(See attached.)

Prepared by: Francis C. Allan
 Division: Alaska State Troopers
 Approved by Commissioner: Arthur English
 Agency: Department of Public Safety

Phone: 269-5691
 Date: 01/12/90

Date: 1-12-90

1/12/90

CONTINUATION OF FISCAL NOTE ANALYSIS

Department of Public Safety

SB 366, Dalton Highway Maintenance and Access

In order to keep the Dalton Highway open throughout the entire year, a full range of law enforcement services must be maintained. In order to provide accident response, patrol, investigation, and search and rescue services, three additional State Trooper positions will be needed; one at Coldfoot, and two others in Prudhoe Bay. The costs below summarize their Personal Services and related costs. It is anticipated that equipment will be needed in the first year only and that the road would not be open to the public until July 1, 1990. Further, FY 91 costs are based upon budgeted costs for FY 91 with no inflation included for future years.

<u>Operating Budget</u>	<u>Trooper Coldfoot</u>	<u>Trooper Prudhoe Bay</u>	<u>Trooper Prudhoe Bay</u>	<u>Increased Helo Oper. Costs (1)</u>	<u>Total</u>
Personal Services	81.1	81.1	81.1		243.3
Travel	2.0	2.0	2.0		6.0
Contractual	13.4	37.4	37.4	2.8	91.0
Supplies	3.3	3.3	3.3		9.9
Equipment	<u>25.8</u>	<u>25.8</u>	<u>25.8</u>		<u>77.4</u>
Total	<u>125.6</u>	<u>149.6</u>	<u>149.6</u>	<u>2.8</u>	<u>427.6</u>

(1) - Helicopter costs include two additional trips up and down the highway, fueling at Coldfoot and Prudhoe Bay (contract). This is expected to involve seven hours on each trip @ \$200 per hour.

Capital Budget

There is no housing available in Coldfoot. Accordingly, it will be necessary to construct a new housing unit located next to the FWP unit in Coldfoot. Cost is estimated to be \$322,000 for a single family unit.

Position Title		State Trooper		No. of Positions	Range/Step	Barg. Unit
				1	76/A	PSEA
Time Status	Staff Months	Location		Election District		
PFT	12.0	Coldfoot		22		
				Justification:		
Type of Expenditure				Amount		
1		2		3		
Salary*		59,195		////////////////////		
Benefits*		21,934		////////////////////		
Premium Pay (Included in Above)		////////////////////		////////////////////		
Other		////////////////////		////////////////////		
Total Personal Services		////////////////////		81.1		
Travel				2.0		
Contractual				13.4		
Commodities				3.3		
Equipment				25.8		
Other						
Total Cost				125.6		
Funding Source for Total Cost						
Federal Receipts		1002				
G.F. Match		1003				
General Fund		1004		125.6		
Program Receipts/GF		1005				
I-A Receipts		1007				
CIP Receipts		1061				
Other						
* Personal Services Salary and Benefits Costs are from PACS.						

A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and Search and Rescue along the Dalton Highway. This Trooper position must have 4 x 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience.

Additionally, no housing currently exists in Coldfoot and a unit would need to be constructed with CIP funds.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachements

Page 3 of 5
 Revised Date

FY 91

Position Title State Trooper		No. of Positions 1	Range/Step 76/A	Barg. Unit PSEA
Time Status PFT	Staff Months 12.0	Location Prudhoe Bay		Election District 22
Justification:				
A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and Search and Rescue along the Dalton Highway. This Trooper position must have 4 x 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience.				
Contractual costs include housing and office space at a cost of \$2,000 per month, which is based upon previous AST experience in Prudhoe Bay and assumes space availability.				
Type of Expenditure		Amount		
1	2	3		
Salary*	59,195	////////////////////		
Benefits*	21,934	////////////////////		
Premium Pay (Included in Above)	////////////////////	////////////////////		
Other	////////////////////	////////////////////		
Total Personal Services	////////////////////	81.1		
Travel		2.0		
Contractual		37.4		
Commodities		3.3		
Equipment		25.8		
Other				
Total Cost		149.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	149.6		
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS.				

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachements

Page 4 of 5
 Revised Date

FY 91

Position Title		State Trooper		No. of Positions	Range/Step	Barg. Unit
				1	76/A	PSEA
Time Status	Staff Months	Location		Election District		
PFT	12.0	Prudhoe Bay		22		
				Justification:		
				A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and Search and Rescue along the Dalton Highway. This Trooper position must have 4 x 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience.		
				Contractual costs include housing and office space at a cost of \$2,000 per month, which is based upon previous AST experience in Prudhoe Bay and assumes space availability.		
Type of Expenditure			Amount			
1	2		3			
Salary*	59,195		////////////////////			
Benefits*	21,934		////////////////////			
Premium Pay (Included in Above)			////////////////////			
Other			////////////////////			
Total Personal Services			81.1			
Travel			2.0			
Contractual			37.4			
Commodities			3.3			
Equipment			25.8			
Other						
Total Cost			149.6			
Funding Source for Total Cost						
Federal Receipts	1002					
G.F. Match	1003					
General Fund	1004		149.6			
Program Receipts/GF	1005					
I-A Receipts	1007					
CIP Receipts	1061					
Other						
* Personal Service: Salary and Benefits Costs are from PACS.						

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
BRU Alaska State Troopers
COMPONENT Detachments

Page 5 of 5
Revised Date

FY 91

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB 115(FIN)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: House Finance

Revision Date: 2/26/88
Title: "An Act Relating to Public Use
of the Dalton Highway"
Sponsor: Representative Frank
Requestor: House Finance Committee

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Detachments

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	213.0	213.0	213.0	213.0	213.0
TRAVEL	0	3.9	3.9	3.9	3.9	3.9
CONTRACTUAL	0	63.2	63.2	63.2	63.2	63.2
SUPPLIES	0	6.6	6.6	6.6	6.6	6.6
EQUIPMENT	0	66.9				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	353.6	286.7	286.7	286.7	286.7

CAPITAL		250.0				
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REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		603.6	286.7	286.7	286.7	286.7
FEDERAL FUNDS						
OTHER						
TOTAL	0	603.6	286.7	286.7	286.7	286.7

POSITIONS :

FULL-TIME	0	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Rep. Adams *ADA* Phone: 465-3709
Division: Chairman, House Finance Date: 2/26/88

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

✓

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 115

In order to keep the Dalton Highway open throughout the entire year, a full range of law enforcement services must be maintained. In order to provide accident response, patrol, investigation, and search and rescue services, three additional State Trooper positions will be needed; one at Coldfoot, and two others in Prudhoe Bay. The costs below summarize their Personal Services and related costs. It is anticipated that equipment will be needed in the first year only and that the road would not be open to the public until July 1, 1988. Further, FY89 costs are based upon budgeted costs for FY88 with no inflation included and basic costs for 8 months only.

<u>Operating Budget</u>	<u>Trooper Coldfoot</u>	<u>Trooper Prudhoe Bay</u>	<u>Trooper Prudhoe Bay</u>	<u>Increased Helo Oper. Costs (1)</u>	<u>Total</u>
Personal Services	71.0	71.0	71.0		213.0
Travel	1.3	1.3	1.3		3.9
Contractual	5.7	28.1	28.1	1.3	63.2
Supplies	2.2	2.2	2.2		6.6
Equipment	22.3	22.3	22.3		66.9
Total	102.5	124.9	124.9	1.3	353.6

(1) - Helicopter costs include one additional trip up and down the highway, fueling at Coldfoot and Prudhoe Bay (contract). This is expected to involve seven hours @ \$187 per hour.

Capital Budget

Currently, there is no housing available in Coldfoot as was originally anticipated when this fiscal note was first prepared. Accordingly, it will be necessary to construct a new housing unit located next to the FWP unit in Coldfoot. Cost is estimated to be \$95,000 for a single family unit.

Revised 2/16/88

Position Title State Trooper		No. of Positions 1	Range/Step 76/A	Barg. Unit PSEA
Time Status PFT	Staff Months 8.0	Location Coldfoot		Election District 22
Type of Expenditure		Amount		
1	2	3		
Salary	36,124			
Benefits	31,584			
Premium Pay	3,334			
Other				
Total Personal Services		71.0		
Travel		1.3		
Contractual		5.7		
Commodities		2.2		
Equipment		22.3		
Other				
Total Cost		102.5		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	102.5		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Revised 2/16/88				
<p>Justification</p> <p>A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation, and Search and Rescue along the Dalton Highway. This trooper position must have a 4 x 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience. Eight months funding is included to coincide with the length of time the road would be open.</p> <p>Additionally, no housing currently exists in Coldfoot and a unit would need to be constructed.</p>				

REQUEST FOR
NEW POSITION

Agency Department of Public Safety

BRU Alaska State Troopers

Component Detachments and CIB

FY 89

Page 1 of 3
Revised Date

Position Title		State Trooper		No. of Positions	1	Range/Step	76/A	Barg. Unit	PSEA
Time Status	PFT	Staff Months	8.0	Location	Prudhoe Bay		Election District	22	
Type of Expenditure			Amount			<p>Justification</p> <p>A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation, and Search and Rescue along the Dalton Highway. This trooper position must have a 4 x 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience. Eight months funding is included to coincide with the length of time the road would be open.</p> <p>Contractual costs include housing and office space at a cost of \$2,800 per month, which is based upon previous AST experience in Prudhoe Bay and assumes space availability.</p>			
1		2		3					
Salary		36,124							
Benefits		31,584							
Premium Pay		3,334							
Other									
Total Personal Services				71.0					
Travel				1.3					
Contractual				28.1					
Commodities				2.2					
Equipment				22.3					
Other									
Total Cost				124.9					
Funding Source for Total Cost									
Federal Receipts	1002								
G.F. Match	1003								
General Fund	1004			124.9					
I-A Receipts	1006								
CIP Receipts	1061								
Other									
Revised 2/16/88									

REQUEST FOR
NEW POSITION

Agency Department of Public Safety
 BRU Alaska State Troopers
 Component Detachments and CIB

FY 89

Page 2 of 3
 Revised Date

Position Title State Trooper		No. of Positions 1	Range/Step 7G/A	Barg. Unit PSEA
Time Status PFT	Staff Months 8.0	Location Prudhoe Bay		Election District 22
Type of Expenditure		Amount		
1	2	3		
Salary	36,124			
Benefits	31,584			
Premium Pay	3,334			
Other				
Total Personal Services		71.0		
Travel		1.3		
Contractual		28.1		
Commodities		2.2		
Equipment		22.3		
Other				
Total Cost		124.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	124.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Revised 2/16/88				
<p>Justification</p> <p>A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation, and Search and Rescue along the Dalton Highway. This trooper position must have a 4 x 4 vehicle (152P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience. Eight months funding is included to coincide with the length of time the road would be open.</p> <p>Contractual costs include a leased housing space of approximately \$24,000 per year, assuming that it is available.</p>				

REQUEST FOR
NEW POSITION

Agency Department of Public Safety

BRU Alaska State Troopers

Component Detachments and CIB

FY 89

Page 3 of 3
Revised Date

Fiscal Note HB 115
Coldfoot Trooper Housing Unit

1. Direct Construction Cost - House	
\$150 per sq. foot x 1,376 sq ft =	\$206,400
2. Direct Construction Cost - Garage	
\$75 per sq ft x 288 sq ft =	21,600
3. Sight preparation (backfill)	40,000
4. Paving	<u>10,000</u>
	subtotal
	278,000
5. Indirect overhead - Engineering, Architectual. etc. - DOT/PF related - 35%	
	<u>92,000</u>
	subtotal
	370,000
6. Inflation thru actual construction 6-7 %	<u>25,000</u>
	Total
	<u><u>\$395,000</u></u>

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 115
Publish Date: _____

REQUEST _____
Revision Date: _____
Title: Cost for Opening the Dalton Highway to the Public
Sponsor: Frank
Requestor: Frank

Agency Affected: DOT&PF
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		10.0	10.0	10.0	10.0	10.0
TRAVEL						
CONTRACTUAL		0	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		10.0	10.0	10.0	10.0	10.0
CAPITAL		84.0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		94.0	10.0	10.0	10.0	10.0
FEDERAL FUNDS						
OTHER						
TOTAL		94.0	10.0	10.0	10.0	10.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: See attached

Prepared by: Norm Piispanen/Lynn J. Harnisch Phone: 474-2423/451-2210
Division: DOT&PF Planning/Reg. Director, Northern Region Date: 2/25/88
Approved by Commissioner: Mark S. Hickey *M.S.H.* Date: 2/26/88
Agency: DOT&PF

- Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 115

1. Assumptions

In order to open the remainder of the Dalton Highway to the public, we anticipate the need for two wayside facilities with campsites, vault toilets and litter barrels. One such facility would probably be developed in the Atigun/Galbraith area. The other would probably be developed in the Happy Valley area.. Preferably they would be located in existing material sources. Also, we would expect to install four additional sets of litter barrels and two additional vault toilets (additional toilets not included in 1/27/88 fiscal note for the same bill) at locations scattered along the northern portion of the route.

2. Capital Costs

Two Campsite Facilities		\$30,000
Four Vault Toilets		48,000
Information Signs		2,000
Bear Proof Litter Barrels (Six Pair)		4,000
	TOTAL	<u>\$84,000</u>

3. Operating Costs

Personal Services:		<u>\$10,000</u>
Campsite/Litter Barrel Maintenance		
	TOTAL	\$10,000

Contractual Services:		20,000
Vault Toilet Maintenance		

Contractual Services:		<u><20,000></u>
Savings: Closing Existing Checkpoint		

Contractual Services Subtotal		<u><u>-0-</u></u>
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TOTAL IMPACT		\$10,000
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These figures indicate an annual maintenance cost of \$30,000 for new facilities. Of that, \$20,000 would be offset by closing the existing checkpoint. Closing the Dalton Highway to public use during the winter months would not cause the figures to change.

The northern terminus of the Dalton Highway is approximately 2 miles short of the Deadhorse Airport and approximately 12 miles short of the Arctic Ocean. Beyond the terminus of the Dalton Highway the roads have been built, and are maintained, by the oil companies. Public use of them would require coordination with the oil companies. Public access from the Dalton Highway to the Deadhorse Airport is probably easily attainable.

Public access to the Arctic Ocean, if it is desired, is more involved and could be expected to be more sensitive to the oil companies. While access to the Arctic Ocean may be desirable, it is not critical to opening the Dalton Highway to public use.

JAMES DALTON HIGHWAY

CONSTRUCTION

BUILDER: Alyeska Pipeline Service Company Contractors

DATES: April 29, 1974 - September 29, 1974 = 154 days

LENGTH: 415 Miles = Livengood to Deadhorse

MATERIAL: 32,000,000 cubic yards - free use, mostly BLM

MANPOWER: 3,000,000 plus man hours

COST: \$370,000,000 - State has engineering dollars only
in project

YUKON RIVER BRIDGE: Completed 1975 - \$26,000,000; \$3,000,000 State funds

MAINTENANCE

ALYESKA: September 1974 - October 15, 1978

STATE OF ALASKA: October 15, 1978

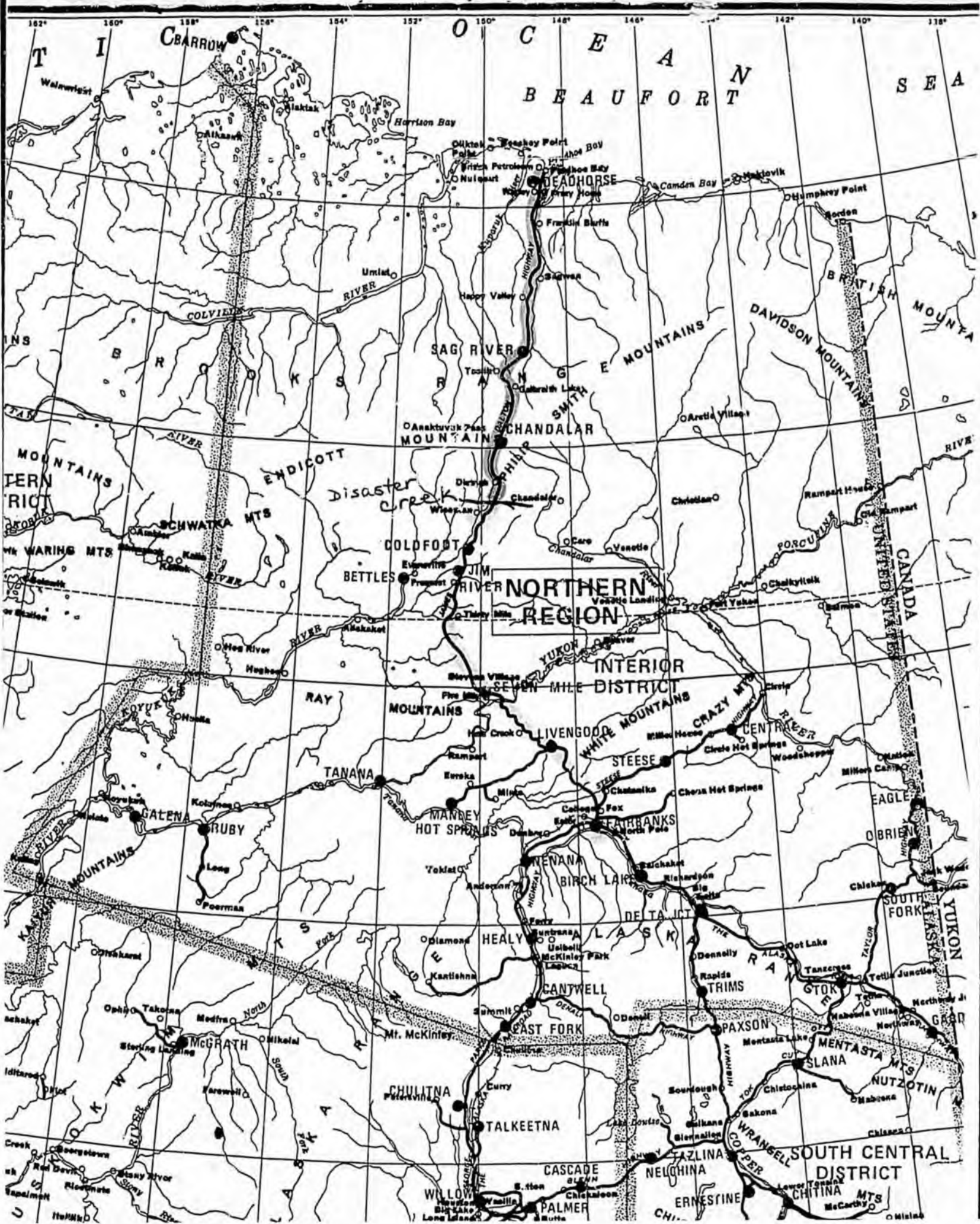
PERSONNEL

<u>Location</u>	<u>PFT</u>	<u>PPT</u>	<u>PFT Buildings</u>
7-Mile	4	0	2
Jim River	4	0	2
Coldfoot	4	1	1
Chandalar	8	1	2]
Sag River	6	1	2] Rotation
Deadhorse	8	1	1] Stations
<hr/>			
	34	4	9 = 47 Positions

FG/lf

Background on Dalton

Closed to traffic other than industrial or commercial
Opens to all public traffic



MILEAGE FOR ELLIOTT & DALTON HIGHWAYS

LOCATION	FROM FAIRBANKS	FROM MP 0 DALTON	FROM YUKON RIVER	BETWEEN POINTS
FOX	11.5	73.5	130.7	
LIVENGOOD	80.8	4.2	61.4	69.3
0 MILE TAPS	85.0	0.0	57.2	4.2
PUMP STATION 6	140.0	55.0	2.2	55.0
YUKON RIVER	142.2	57.2	0.0	2.2
5 MILE AIRPORT	146.4	61.4	4.2	4.2
7 MILE CAMP	148.0	63.0	5.8	1.6
FINGER MOUNTAIN	185.3	100.3	43.1	37.3
OLD MAN	194.5	109.5	52.3	9.2
BEAVER SLIDE	196.4	111.4	54.2	1.9
ARCTIC CIRCLE	202.0	116.0	60.0	5.8
GOBBLERS KNOW	220.1	135.1	77.9	17.9
PUMP STATION 6	225.4	140.4	83.2	5.3
JIM RIVER MAINTENANCE	226.4	141.4	84.2	1.0
KOYUKUK	245.0	160.0	102.8	18.6
COLDFOOT	264.3	179.3	122.1	19.3
WISEMAN TURNOFF	278.2	193.2	136.0	13.9
NETRICH	300.4	215.4	158.2	22.2
HANDALAR	333.0	248.0	190.8	32.6
ATIGUN SUMMIT	337.6	252.6	195.4	4.6
ATIGUN CAMP	342.5	257.5	200.3	4.9
PUMP STATION 4	361.9	276.9	219.7	19.4
GALBRAITH TURNOFF	367.9	282.9	225.7	6.0
TOOLIK	377.7	292.7	235.5	9.8
MS 117-1	384.0	299.0	241.8	6.3
SAG RIVER MAINTENANCE	399.6	314.6	257.4	15.6
PUMP STATION 3	406.0	321.0	263.8	6.4
ICE CUT	419.8	334.8	277.6	13.8
HAPPY VALLEY	429.8	344.4	287.6	10.0
PUMP STATION 2	455.4	370.4	313.2	25.6
FRANKLIN BLUFFS	474.7	389.7	332.5	19.3
END OF DALTON HIGHWAY	511.9	426.9	369.7	37.2
DEADHORSE AIRPORT	515.9	430.9	373.7	4.0

11/9/88

DALTON HIGHWAY CHECK POINT

AVERAGE DAILY TRAFFIC
VEHICLE COUNT
1976 - 1988

MONTH YEAR	76	77	78	79	80	81	82	83	84*	85	86	87	88
January		98	89	73	68	122	164	105					
February		262	96	49	68	122	131	122					
March		465	112	59	76	215	181	156					
April		433	98	68	75	206	169	113					
May		251	96	69	83	149	145	95					
June		240	157	75	105	112	174	81					
July	402	222	119	81	125	122	151	100	79	109	88	57	72
August	381	210	142	89	154	139	137	104		76	91	67	80
September	349	203	81	84	136	159	150	98		36	69	64	85
October	231	142	62	73	130	136	122	94			63	55	64
November	166	131	71	69	115	140	97	96			58	48	
December	119	120	69	59	100	134	103	71					
ANNUAL AVERAGE	275	231	99	71	103	146	144	103	79	74	74	58	77
LOCATION	YUKON RIVER							DISASTER CREEK		CHANDALAR SHELF			

* 1984 figures are from DOT&PF traffic counter at Atigun River

STANDING COMMITTEE REPORTS

SJR 20

The Community and Regional Affairs Committee considered SENATE JOINT RESOLUTION NO. 20 (Disapproving the Local Boundary Commission recommendation for annexation of territory to the City of Dillingham). Senator Sturgulewski, Chairman and Senator Zharoff signed "do pass". Senators Halford and Szymanski signed "no recommendation".

Zero fiscal note published today from the Community and Regional Affairs Committee.

SENATE JOINT RESOLUTION NO. 20 was referred to the Rules Committee.

SB 10

The Transportation Committee considered SENATE BILL NO. 10 (An Act removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain) and a majority of the committee recommended do pass. The report was signed by Senator Jones, Chairman and concurred in by Senators Abood, Coghill and Fahrenkamp.

Senator Binkley, Co-chairman, moved and asked unanimous consent that SENATE BILL NO. 10 have an additional referral to the Finance Committee. Without objection, it was so ordered.

SENATE BILL NO. 10 was referred to the Finance Committee.

SB 132

The Transportation Committee considered SENATE BILL NO. 132 (An Act relating to public use of the Dalton Highway) and a majority of the committee recommended do pass. The report was signed by Senator Jones, Chairman and concurred in by Senators Fahrenkamp and Coghill. Senator Abood signed "do not pass - not enough info available in the interest of safety and accommodations for the public".

Fiscal note published today from Department of Transportation and Public Facilities.

SENATE BILL NO. 132 was referred to the Finance Committee.

HB 89

The Rules Committee considered CS FOR HOUSE BILL NO. 89 (FIN) (efd fld) (An Act making a special appropriation for disaster relief; appropriating the balance of the budget reserve fund to the general fund) and a majority of the committee recommended the Senate Finance Committee Substitute (page 473) be adopted and calendar March 4. The report was signed by Senator Eliason, Chairman and concurred in by Senators Bennett, Binkley and Faiks.

CS FOR HOUSE BILL NO. 89 (FIN) (efd fld) is on the calendar.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB 22

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 22 by Senator Coghill, entitled:

"An Act exempting certain telephone and electric utilities and certain transactions from regulation by the Alaska Public Utilities Commission; and providing for an effective date." (new title)

was read the first time and referred to the Labor and Commerce Committee and the Finance Committee.

SB 160

SENATE BILL NO. 160 by Senator Uehling, entitled:

"An Act relating to land owned by the Alaska Railroad Corporation."

was read the first time and referred to the State Affairs Committee, the Labor and Commerce Committee, the Judiciary Committee and the Finance Committee.

Chapter 35. Relocation Assistance.

[Repealed, § 2 ch 41 SLA 1971.]

Chapter 40. James Dalton Highway.

Section	Section
10. Declaration of policy	100. Use of the highway by industrial or commercial traffic
15. Highway named	110. Public use of a portion of the highway
20. Contractual authority	120. Closure of the highway to traffic
30. Undertakings of contractors	200. Disposal of land or materials
40. Exemption	210. Prohibition of off-road vehicles
50. Highway width	290. Definitions
60. Conditions to be met	
65. Regulations and penalties	
70. Conflict with other laws	

Opinions of attorney general. — It is within the power of the Department of Transportation and Public Facilities un-

der AS 19.05.040(11) to charge a toll for use of the James Dalton Highway. February 20, 1987 Op. Att'y Gen.

Sec. 19.40.010. Declaration of policy. (a) The legislature finds and declares that there is an immediate need for a public highway from the Yukon River to the Arctic Ocean and that this public highway should be constructed by the State of Alaska at this time because

(1) it will assist in the fulfillment of art. VIII, § 1, Constitution of the State of Alaska, in which it is provided that it is the policy of the state to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest;

(2) it will provide the first year-round, overland route from north of the Yukon River to the Arctic Ocean, and will consequently result in the completion of a highway from the Pacific Ocean to the Arctic Ocean;

(3) it is in conformity with the policy of 23 U.S.C. 101(b) (Federal-Aid Highway Act of 1956), in which it is declared to be in the national interest to accelerate the construction of certain highways which are of primary importance to the national defense;

(4) it will benefit local and interstate commerce because the area north of the Yukon River is rich in natural resources but is inaccessible at the present time because of the lack of roads and this inaccessibility prohibits the successful use of the natural resources of this area;

(5) it is consonant with art. VIII, § 2, Constitution of the State of Alaska, in which it is provided that the legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the state, including land and water, for the maximum

benefit of its people, because the highway will benefit not only local and interstate commerce but will also augment the revenue of the state and result in conservation of natural resources, for example, by facilitating a system of forest fire suppression.

(b) It is the sense of the legislature that the construction of the highway will not impair the natural wilderness adjacent to the highway and will not unreasonably interfere with subsistence hunting, fishing, trapping, and gathering.

(c) It is the intent of the legislature that the state shall be reimbursed for the cost plus interest of constructing the public highway from the Yukon River to the Arctic Ocean.

(d) It is the intent of the legislature that employment of Alaska residents be encouraged and that the provisions of AS 36.10 be complied with. (§ 1 ch 231 SLA 1970)

Sec. 19.40.015. Highway named. The highway is named the James Dalton Highway. (§ 2 ch 10 SLA 1981)

Sec. 19.40.020. Contractual authority. (a) Subject to (b) of this section, the department may contract in accordance with AS 36.30 for the construction of a secondary highway from the Yukon River to the Arctic Ocean. The provisions of AS 36.10 govern in employment practices on all work authorized by this chapter.

(b) The authority granted under (a) of this section may not be exercised until the state enters into a contract with the participants in the Trans Alaska Pipeline System or other organization formed for the purpose of transporting oil by pipeline from the North Slope (that area of Alaska lying north of 68 degrees latitude). The contract shall provide for reimbursement to the state by the participants, jointly and severally, in the Trans Alaska Pipeline System or other organization formed for the purpose of transporting oil by pipeline, of the full amount of the highway's cost of construction plus interest on the state's expenditures at the rate of seven and one-half per cent per year. Complete reimbursement together with interest shall be made within five years from the date of the contract. The state may, with the agreement of the participants, elect to construct an oil pipeline from the North Slope. In that event, the provisions of this subsection requiring reimbursement do not apply.

(c) The contract with the participants must include additional terms and conditions that are in the best interests of the state. Any advance payments made under the contract shall be deposited in a special account which will be used for disbursements to the contractor charged with construction of the highway. Disbursements to the contractor shall be made on order of the commissioner of transportation and public facilities on presentation of a proper voucher or the presentation of a voucher by an employee of the department authorized in

writing to certify as to such payment. (§ 1 ch 231 SLA 1970; am § 18 ch 106 SLA 1986)

Effect of amendments. — The 1986 amendment inserted "in accordance with AS 36.30" in the first sentence in subsection (a) and deleted the former second sentence in subsection (a) which read, "The department may request bids and award

contracts for the construction of the highway, or it may elect to directly negotiate contracts for the construction of the highway if it appears to be in the best interests of the state."

Sec. 19.40.030. Undertakings of contractors. The department, in place of the bonds or individual sureties required by AS 36.25.010, may accept corporate undertakings that include the same essential provisions of the bonds or individual sureties required by AS 36.25.010 and that are satisfactory to the department. (§ 1 ch 231 SLA 1970)

Sec. 19.40.040. Exemption. The Alaska Net Income Tax Act and the Alaska Business License Act do not apply to any money received by the general contractor from the state under a highway construction contract authorized under this chapter if the money is to be paid to a subcontractor for work performed under the construction contract. The money received by the subcontractors is subject to the Alaska Net Income Tax Act, the Alaska Business License Act, and any other applicable state taxes. (§ 1 ch 231 SLA 1970)

Sec. 19.40.050. Highway width. In accordance with AS 19.10.015, the width of this highway is designated as 200 feet. (§ 1 ch 231 SLA 1970)

Sec. 19.40.060. Conditions to be met. Construction authorized under AS 19.40.020 — 19.40.050 may not be undertaken until all of the following conditions are met:

(1) certification by the commissioners of natural resources and fish and game that adequate precautions have been taken to protect and preserve the total ecology of the area traversed;

(2) certification by the commissioner of transportation and public facilities that the road design and construction methods will cause minimal landscape defacement or environmental degradation by erosion or waste disposal;

(3) certification by the commissioner of health and social services that adequate and reasonable precautions have been taken for the prevention of pollution during construction and subsequent public use;

(4) all certifications, as well as the regulations, contract provisions, specifications, inspection procedures, and programs necessary to im-

plement and accomplish AS 19.40.020 — 19.40.050 shall be filed with the governor's office and published;

(5) the governor has approved all certifications and supporting material submitted under (4) of this section as being in the best public interest, and has certified that the contract required by AS 19.40.020 has been executed. (§ 1 ch 231 SLA 1970; am § 6 ch 104 SLA 1971)

Sec. 19.40.065. Regulations and penalties. All departments and agencies of the state are given the specific authority to adopt under the Administrative Procedure Act (AS 44.62) emergency, temporary, and permanent regulations necessary to accomplish the purposes of AS 19.40.020 — 19.40.050. The violation of any regulation adopted under AS 19.40.020 — 19.40.050 is a misdemeanor and upon conviction the person is punishable by a fine of not more than \$10,000 for each offense. (§ 1 ch 231 SLA 1970)

Sec. 19.40.070. Conflict with other laws. In the event of a conflict between this chapter and any other law of this state, the provisions of this chapter govern and supersede any such other law. (§ 1 ch 231 SLA 1970)

Sec. 19.40.100. Use of the highway by industrial or commercial traffic. (a) The department shall maintain the highway and keep it open to industrial or commercial traffic throughout the year.

(b) "Industrial or commercial traffic" means

(1) travel necessary and related to resource exploration and development or to support of those activities, if the individual engaged in those activities has all necessary permits;

(2) travel necessary and related to access by local residents to their property; or

(3) motor carriers engaged in commerce. (§ 3 ch 177 SLA 1980; am § 51 ch 59 SLA 1982; am § 10 ch 21 SLA 1985)

Effect of amendments. — The 1985 amendment deleted "which are common carriers or contract carriers regulated by

the Alaska Transportation Commission under AS 42.10" at the end of paragraph (3) of subsection (b).

NOTES TO DECISIONS

Negligence action against state precluded. — The state was immune from tort liability, under the discretionary function immunity exception to the Tort Claims Act, in an action based on negligent failure to institute dust control procedures on the Dalton Highway. *Freeman v. State*, Sup. Ct. Op. No. 2976 (File No. S-458), 705 P.2d 918 (1985).

Indemnity provision in highway use permit held unenforceable. — Semi-

trailer operator injured in a single-vehicle accident was not barred by an indemnity and hold harmless provision in the highway use permit from seeking recovery for personal injuries and property damage from the state for its alleged negligence; the indemnity provision was unenforceable because the state's maintenance of the highway was a "public duty." *Kuhn v. State*, Sup. Ct. Op. No. 2868 (File Nos. 6833, 7080), 692 P.2d 261 (1984).

Highway permit indemnity regulation held unenforceable. — A highway permit indemnity regulation (17 AAC 30.050) was inconsistent with subsection (a) of this section because the regulation bore no reasonable relation to the state's statutory duty to maintain the highway,

and the regulation was unenforceable where it did not fall within one of the AS 19.05.040 exceptions to the duty. *State v. Alyeska Pipeline Serv. Co.*, Sup. Ct. Op. No. 3092 (File No. S-986), 723 P.2d 76 (1986).

Sec. 19.40.110. Public use of a portion of the highway. The department shall maintain the section of the highway between the Yukon River and Dietrich Camp and shall keep that section of the highway open to use by the public between June 1 and September 1 each year. (§ 4 ch 177 SLA 1980)

Revisor's notes. — Enacted as AS 19.40.120. Renumbered in 1980.

Opinions of attorney general. — This section should be interpreted as setting the maximum extent to which the Dalton Highway may be kept closed to public traffic by regulation, rather than the maximum

that it may be opened; it is not an impediment to the department's adopting regulations which would open the Dalton Highway to Dietrich Camp to year-round public traffic. September 2, 1983 Op. Att'y Gen.

NOTES TO DECISIONS

Applied in *Kuhn v. State*, Sup. Ct. Op. No. 2868 (File Nos. 6833, 7080), 692 P.2d 261 (1984).

Sec. 19.40.120. Closure of the highway to traffic. The provisions of AS 19.10.100 apply to the closure of the highway by the department. (§ 3 ch 177 SLA 1980)

Revisor's notes. — Enacted as AS 19.40.110. Renumbered in 1980.

Sec. 19.40.200. Disposal of land or materials. (a) The state may not dispose of state land under AS 38 which is within five miles of the right-of-way of the highway.

(b) The prohibition on disposal of state land under (a) of this section does not apply to a disposal necessary for

(1) an oil and gas lease under AS 38.05.180;

(2) exploration, development, production, or transportation of oil and gas north of 68 degrees north latitude; or

(3) a state lease or materials sale for exploration, development, production, or transportation of oil and gas or reconstruction or maintenance of the highway north of 68 degrees north latitude.

(c) Before the sale of materials under (b)(3) of this section to a private entity or person or to a state agency the state shall give due consideration to the availability of materials from private sources in the area where the materials are needed. (§ 5 ch 177 SLA 1980; am § 1 ch 77 SLA 1985)

Revisor's notes. — By judgment dated March 19, 1981, in Alaska Legislative Council v. Hammond, case no. 4FA-80-1689, the superior court for the fourth judicial district upheld the validity of the enactment of ch. 177, SLA 1980.

Effect of amendments. — The 1985 amendment added subsections (b) and (c).

Editor's notes. — Section 3, ch. 77, SLA 1985 made the 1985 amendments to this section retroactive to October 5, 1980.

Legislative history reports. — For governor's letter returning SCS HR am S (H. failed eff. date) see 1980 House Journal, p. 2240, and 1980 Senate Journal, p. 1781.

For Senate letter of intent relating to (b)(3) of this section, see 1985 Senate Journal, page 264, which refers to identical language in an earlier version of the bill.

Sec. 19.40.210. Prohibition of off-road vehicles. Off-road vehicles are prohibited on land within five miles of the right-of-way of the highway. However, this prohibition does not apply to off-road vehicles necessary for oil and gas exploration, development, production, or transportation or to a person who holds a mining claim in the vicinity of the highway and who must use land within five miles of the right-of-way of the highway to gain access to the mining claim. (§ 5 ch 177 SLA 1980; am § 2 ch 77 SLA 1985)

Revisor's notes. — Enacted as AS 19.40.200(b). Renumbered in 1980.

Effect of amendments. — The 1985 amendment in the second sentence inserted "to off-road vehicles necessary for oil and gas exploration, development, pro-

duction, or transportation or" and substituted "the" for "his" following "access to."

Editor's notes. — Section 3, ch. 77, SLA 1985 made the 1985 amendments to this section retroactive to October 5, 1980.

Sec. 19.40.290. Definitions. In this chapter

(1) "department" means the Department of Transportation and Public Facilities;

(2) "highway" means the secondary highway from the Yukon River to the Arctic Ocean. (§ 1 ch 231 SLA 1970)

Revisor's notes. — Formerly AS 19.40.080. Renumbered in 1988.

Chapter 45. Miscellaneous Provisions.

Section
01. Definitions
02. Penalties

Section
15. Highway construction near airports

Sec. 19.45.001. Definitions. In AS 19.05 — AS 19.40

(1) "commissioner" means the commissioner of transportation and public facilities;

(2) "construction" or any derivation means construction, reconstruction, alteration, improvement or major repair;

(3) "controlled-access facility" means a highway especially designed for through traffic, and over, from, or to which owners or occupants of

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4100

February 18, 1988

The Honorable Steve Frank
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Frank:

Circumstances relating to caribou hunting near the Dalton Highway north of the Yukon River have been somewhat confusing for a number of years. Some background may help put the matter in perspective.

As you know, public access has been constrained by statute (AS 19.40.100 and 19.40.110), and use of off-road vehicles within five miles on each side of the Dalton Highway right-of-way is prohibited except for access to mining claims (AS 19.40.210). However, because no penalty provision was included in the latter section, the prohibition on off-road or all-terrain vehicles (ORV/ATV) could not be enforced. Although these laws were in place, people were able to gain access to the northern portion of the Dalton Highway. Also because the ORV/ATV restriction was ineffective, a convention of use of these vehicles developed among people who were able to gain access to the northern Dalton Highway. Thus, public use of the highway and of ORV/ATVs for hunting purposes was only partly constrained.

This situation contributed to a rapid increase in caribou harvest from along the highway between 1982 and 1986. Seasons and bag limits for the Central Arctic Caribou Herd (CAH) during that period were designed to provide ample opportunity for use of caribou for food by local residents of Game Management Unit 26B (GMU 26B), and presumed that restrictions of Dalton Highway and ATV use effectively moderated hunting pressure from elsewhere. That was not the case, and in 1986 the department recommended and the Board of Game adopted a regulation reducing from five to two the number of caribou that could be transported out of GMU 26B. That regulation was in effect in 1986-87. Also, the administration in 1986 introduced a bill containing a

penalty provision for off-road use of ATVs so that the law would be enforceable, but it did not pass.

In March 1987, the Department of Fish and Game proposed a regulation establishing a bag limit of five caribou for subsistence hunters, and one caribou for other hunters. This proposed regulation also expanded the area affected to include all of the principal range of the CAH. The Board of Game adopted this proposal as regulation, which became effective July 1, 1987. In addition, the board promulgated a regulation prohibiting the use of motorized vehicles, (except for licensed highway vehicles, aircraft, and motor boats) for hunting purposes within the Dalton Highway corridor. The net effect was to prohibit use of ORV/ATVs for hunting purposes.

These changes have affected total harvests of caribou as shown below.

Reported Harvest of Central Arctic Caribou Herd

<u>Year</u>	<u>Total</u>
1982-83	81
1983-84	170
1984-85	364
1985-86	662
1986-87	345
1987-88 (through 2/5/88)	181

We anticipate that the total harvest in 1987-88 will be below that of 1986-87. Although even at the highest harvest level, in 1985-86, there was no danger to the CAH's well-being, the trend was of concern, since a continued rapid increase in harvest levels could have stopped or reversed growth of the herd.

Under the present regulatory regime, hunting will not limit growth of the CAH. However, the more conservative seasons and bag limits and the enforceable regulation on use of ATVs in the Dalton Highway corridor for hunting, have reduced public hunting opportunities. Further experience with the current regulations may indicate in the future that some relaxation of restrictions may be warranted. Because the herd's welfare is also being studied in relation to oilfield development, it is important that hunting not constrain herd growth.

Some other difficulties with management of the CAH remain unresolved. First, Wiseman, located within the utility corridor, is a recognized subsistence community under federal law and is classified as rural under state law.

February 18, 1988

Because of the prohibition on the use of firearms and ATVs, its residents are at a disadvantage in hunting in or near the corridor. Other residents of the corridor are also considered rural. This disadvantage is aggravated by the fact that nonlocals and nonresidents can hunt there with bows and arrows.

Second, because of the history of ATV use during the several years when an ATV use prohibition existed but was widely known as being unenforceable, a number of local people and other state residents now feel that they have been treated unfairly by the imposition of the regulation prohibiting ATV use for hunting in the corridor.

Public use of the entire Dalton Highway as an access route to northern hunting areas remains a subject of contention.

Given the current regulatory regime, the presence of Fish and Wildlife Protection staff and of our own staff in the area, and the apparent cooperation by most of the public with current regulations, we are confident of being able to ensure the well-being of the Central Arctic Caribou Herd and of other wildlife in the Dalton Highway area.

I will be glad to be of further assistance in any way that I can.

Sincerely,



Don W. Collinsworth
Commissioner

cc: L. Pamplin
D. Bishop

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

P.O. BOX Z
JUNEAU, ALASKA 99811-2500
PHONE: (907) 465-3900

OFFICE OF THE COMMISSIONER

January 29, 1988

The Honorable Al Adams
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Adams:

In response to your recent request, the following is an analysis of how opening the entire Dalton Highway to public use would affect Department of Transportation and Public Facilities (DOT&PF) responsibilities.

Elimination of the checkpoint and the need for processing permits would save the cost of checkpoint operation (currently \$20,000 per year), would save the time and cost involved with administering the system and issuing permits, and would save highway users the bother and expense of obtaining permits. It would also end the constant public involvement effort necessary to explain the current policy to people who feel they have a right to travel the route. Opening the remainder of the Dalton Highway to public use would represent a standardized policy for operation and management of all rural state access routes. Though some of them are open only seasonally, all other state highways are open to the public.

To date there has been no federal participation in road improvement projects north of the Yukon River Bridge even though the entire Dalton Highway is on the federal-aid system. This is due to the requirement that federally funded highway projects be open to the public. The limited ability of the public to travel parts of the highway has clouded the issue of federal participation. Recently, the Federal Highway Administration (FHWA) declined to include a Barrow to Prudhoe Bay corridor on the federal-aid system, in part because the Dalton Highway is not open to the public. In the future, this would preclude our ability to utilize federal funding for construction of a Nuiqsut to Prudhoe Bay Road.

Opening the remainder of the Dalton Highway to the public would necessitate some additional traveler services. Private facilities providing vehicular services and lodging are available at the Yukon Crossing, Coldfoot and Deadhorse. It would probably prove necessary for someone to develop additional private facilities between Coldfoot and Deadhorse. We see the need for two additional public wayside/campsite facilities, with vault toilets and litter barrels (like what we have now at the Arctic Circle and at Marion Creek) along the northern section of the road. Some signing and additional litter barrels would also be required. We estimate the development cost for these facilities to be \$60,000. We expect they would cost approximately \$20,000 per year to maintain. That maintenance cost would be offset by the savings which would be realized by closing the existing checkpoint, thereby resulting in a neutral operating budget impact for DOT&PF. Enclosed is a new fiscal note detailing these expenses.

There may also be a need to extend the Dalton Highway to the terminal area of the Deadhorse Airport. Currently, the Dalton Highway ends approximately 2 miles short of the terminal area. The remaining segment of road, though on airport property, was built and is maintained by the oil companies. We do not see a problem reaching a reasonable accommodation, so we have not included a cost estimate for this on the attached fiscal note.

Another problem and additional cost may occur since the current road stops several miles short of the Arctic Ocean. If the Legislature desires access as far as the Arctic Ocean, as currently suggested in HB 115 and SB 132, there may be additional costs for inclusion. Arrangements would have to be made with the oil companies to achieve this goal.

Summer and fall traffic volumes would increase as a result of opening the remainder of road. However, as indicated by past limited openings of the route, we would not expect a large volume of additional traffic. The long distances involved, the cost of services and repairs, and the lack of pavement would tend to hold the number of pleasure vehicles down. Since we already maintain the route for truck traffic, we do not anticipate an appreciable increase in maintenance costs resulting from the additional traffic. The smaller public vehicles would have little effect on the road surface relative to the commercial trucks.

The capacity of the road would also not be a limiting factor. Again, where improvement is needed, it is already needed for the existing truck traffic and is needed to improve the level of service provided by the facility rather than to increase the capacity. The geometric standards of the Dalton Highway are already superior to those of several other rural routes in the state which are open to public use and are subject to higher traffic volumes.

While there may be some concern that public traffic would interfere with possible gasline construction, we do not feel that this is a significant negative consideration. Just as with oil pipeline construction activity, gasline construction activity would share hundreds of miles of highway such as the Steese, Elliott and Richardson Highways with substantially higher traffic volumes than would occur on the Dalton Highway. Construction activity itself may deter some people from using the route. If it becomes necessary during gasline construction to temporarily close a portion of the highway to public use, this could be done under A.S. 19.10.100.

As it pertains to DOT&PF, the opening of the entire Dalton Highway would require minimal additional state facilities, would relieve us of the troublesome task of administering the existing user permitting program, would not require appreciable additional maintenance, and would not tax the traffic volume capacity of the existing facility. For us, the positive effects of opening the entire highway to public use outweigh the possible negative effects.

There are a number of other issues, that while not direct DOT&PF concerns, I believe would need attention to implement this decision properly. The following is a list of key concerns.

January 29, 1988

A. Traffic Safety/Fish and Wildlife Enforcement

Opening the entire Dalton to general public access, particularly on a year-round basis, could significantly affect Public Safety's ability to perform these responsibilities.

B. Environmental/Fish And Game Impact

A range of environmental and fish and game impacts could occur due to an opening decision. This could include detrimental impacts from off-road vehicle and hunting violations, and other negative impacts associated with off-road activities along the currently restricted road portions.

C. Facility Development Needs

Year-round access will necessitate additional development of commercial service facilities (i.e., auto services; food; lodging) at one or two new locations north of Coldfoot. Some effort will be needed to ensure the opportunity is available for private sector development.

D. Land Selection Status

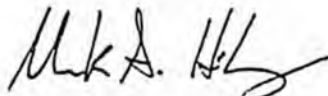
State efforts are continuing in terms of state selections within the Bureau of Land Management (BLM) Utility Corridor. I would recommend contacting DNR to ascertain any possible problems that might be posed by this proposal. (See Mike Pentold)

E. Partial Opening

It may be wise, at least at first, to limit general access to eight months, thereby avoiding public safety risks during the dead of winter. You might want to contact DPS on this question.

Since this question does impact a number of other areas, I have taken the liberty of copying affected agencies for their information. You may also want to contact Bob Evans so the administration can work with you in a more coordinated manner.

Sincerely,



Mark S. Hickey
Commissioner

Enclosure

cc: J. Anthony Smith, Commissioner, Department of Commerce and Economic Development
Dennis D. Kelso, Commissioner, Department of Environmental Conservation
Don W. Collingsworth, Commissioner, Department of Fish and Game
Arthur A. English, Commissioner, Department of Public Safety
Mary Halloran, Associate Director, Office of Management and Budget
Bob Evans, Legislative Liaison, Office of the Governor

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

P.O. BOX N
JUNEAU, ALASKA 99811-1200
PHONE: 465-4322

February 10, 1988

The Honorable Steve Frank
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Frank:

During our last hearing, concern was expressed for the Fish and Wildlife Protection activities along the Dalton Highway. The following information was obtained from the Fish and Wildlife Protection Division relating to violations which occurred from January, 1987 to the present within the Dalton Highway corridor.

1. Carcasses found:	5
2. No hunting/fishing license:	2
3. Trapping:	2
4. Guiding:	1
5. Use of firearms within corridor:	9
6. Highway permits:	15

As you can see, our caseload for the corridor is quite low. The Coldfoot trooper, however, now has the added responsibility of covering Bettles, as well as other area villages. Since this is a remote post, the Fish and Wildlife Protection Trooper's duties also include the "blue shirt" activities.

With the closing of our Bettles post and transferring the aircraft and officer to Coldfoot, we now have the ability to conduct aircraft patrol throughout the area with either a Supercub or a Cessna 185. In those instances where it appears off-the-road violations have occurred, we will have the ability to better cover the area by using our aircraft. This does give us limited enforcement profile, however, it also increases the area that we can cover with limited manpower.

As I mentioned during our meeting, if the Dalton Highway were to open, it would be necessary for us to station two

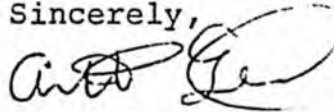
The Honorable Steve Frank

-2-

February 10, 1988

additional employees at Prudhoe Bay, an AST "blue shirt," and another FWP "brown shirt." In addition, we will add another "blue shirt" to the Coldfoot post. With these personnel, our enforcement effort would be enhanced; however, we would still have a limited impact on the area.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur English".

Arthur English
Commissioner



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Alaska State Office
701 C Street, Box 13
Anchorage, Alaska 99513-0099



IN REPLY REFER TO:

(910)

FEB 3 - 1988

Honorable Steve Frank
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Steve
Dear ~~Mr.~~ Frank:

This letter is in response to your request for information on BLM's Utility Corridor Resource Management Plan (RMP) and the agency's preferred policies along the Dalton Highway.

The draft RMP, published in August of 1987, reiterated the primary purpose of the Utility Corridor which is the transportation of energy minerals. BLM's overall management policy for the corridor is to preserve it for this nationally important purpose. This agency, as stated in the draft plan, would take no action which would impede the operation of the present pipeline system or place undue restrictions on the construction of new systems.

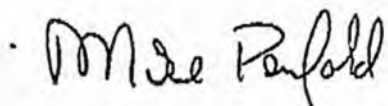
The Utility Corridor also offers unique opportunities for the development of public recreation in the area. The natural pristine character of corridor lands combined with the access offered by the Dalton Highway has focused the agency's attention on the potential for recreation facilities. Consistent with the multiple resource use mission of BLM, energy transportation needs and recreation development in the area are not incompatible. In the draft plan, I have taken the position that the BLM should take an active role in the future development of recreational facilities along the Dalton Highway when they are found to be fully compatible with the need for energy transportation.

With this emphasis on recreation BLM would like to enter a period of intense recreational facility planning. When the agency enters this detailed planning phase, after publication of the final RMP, it is hoped that it can be accomplished through a joint or cooperative BLM-State effort. This joint effort should address the appropriate location and type of facilities to be developed along the Dalton Highway. Public access along the Dalton Highway would be essential.

I would like to emphasize that the Utility Corridor Resource Management Plan is still in draft form. No definite decisions have yet been made on the final configurations of allowable land uses in the corridor.

If there is any additional information on these matters or other matters concerning the Utility Corridor please do not hesitate to write or call me.

Sincerely yours,

A handwritten signature in cursive script that reads "Mike Penfold".

Michael J. Penfold
State Director



Resource Development Council

for Alaska, Inc.

807 "G" Street, Suite 200, Anchorage, Alaska 99501-3448
 Box 100516, Anchorage, Alaska 99510-0516 - 907/276-0700

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 Senator Ted Stevens
 Senator Frank Murkowski
 Congressman Don Young

March 5, 1987

Representative Steve Frank
 Alaska State Legislature
 Pouch V
 Juneau, AK 99811

re: HB 115 and SB 132

Dear Steve:

The Resource Development Council is pleased to support HB 115 and SB 132, Acts relating to public use of the Dalton Highway. Our Executive Committee's action in this regard was unanimous.

We agree that these bills will allow the state to further develop the industries that rely on access to Northern Alaska. We need to encourage development and use of this key element in the state's road system if we are to foster development of valuable resources.

Please call on RDC if we can be of assistance to your office on this issue.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
 for Alaska, Inc.

Paula P. Easley
 Executive Director

cc: Senator Jack Coghill
 Mayor Juanita Helms
 Mayor Bill Walley

Position Papers



Greater Fairbanks

Chamber

of Commerce

First National Center
100 Cushman Street

(907) 452-1105

P.O. Box 74446
Fairbanks, Alaska 99707

RESOLUTION 3-0287

A RESOLUTION TO OPEN THE DALTON HIGHWAY TO THE GENERAL PUBLIC

WHEREAS, there is no justifiable reason that the general public should not have access to a public highway, and

WHEREAS, public funds are used to maintain this road, and

WHEREAS, the denial of the public to use the Dalton Highway as any other highway in Alaska, as stated in A.S. 19.40.120, is discriminatory, and

WHEREAS, there are existing state and federal regulations which provide for management of public use of land and resources adjoining public highways, and

WHEREAS, the opening of the Dalton Highway has been part of the program of work as stated in the Interior Transportation Needs Study developed by the Greater Fairbanks Chamber of Commerce;

NOW, THEREFORE, be it resolved, that the Greater Fairbanks Chamber of Commerce recommends that the Legislature pass HB 115 without further restrictions.

Be it further resolved that this resolution be sent to the following:

Governor Cowper
The Interior Delegation
The Congressional Delegation
The Commissioner of Transportation

DATED THIS 23rd

DAY OF February, 1987

BY James P. Dodson
James Dodson, Chairman of the Board

BY Althea St. Martin
Althea St. Martin, Acting President

Editorial Opinion and Comment of

FAIRBANKS

Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

Dalton daffiness

We continue to be mystified by state officials who don't think their constituents should be allowed to drive the Dalton Highway.

At a recent hearing on the subject, an official of the Alaska Department of Public Safety delivered a masterpiece of bureaucratic circle-think.

The road is unsafe, he said, because traffic is sparse and there are few facilities. As even he acknowledged, the reason is obvious: The state keeps the road closed to the public.

A state senator, meanwhile, said the road shouldn't be opened because truckers and the Alyeska Pipeline Service Company might get stuck caring for stranded motorists.

"There's some places the public shouldn't go, for their own safety," he said.

Maybe we're wrong, but we have the idea that Alaskans don't want or need to be protected from themselves. In fact, we suspect there are a good many who came here to get away from the smothering embrace of bureaucrats and politicians who see it as their duty to protect people from themselves.

These are the same tired arguments we've heard for years against opening the Dalton, and they make less sense than ever.

The "sparse traffic, few facilities" reasoning collapses of its own weight, so we'll not devote further attention to it here, except to reiterate our serene confidence that the free enterprise system is able and willing to provide such facilities as are needed; certainly that has happened on the lower portion of the road that is open to the public.

As for the senator's tender concern for the burden that will be placed on Alyeska or truckers on the highway, we have no doubt that the development of facilities will speedily remedy that problem, if it ever arises. In addition, travelers on the road should be advised of its hazards and warned that they travel at their own risk.

Finally, let's remember that the state pays to maintain this road, but the oil industry is about the only user. If the public is going to pay for the upkeep of the Dalton Highway, the public should be allowed to drive it.



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COLDFOOT, ALASKA

Mailing Address
COLDFOOT SERVICES
COLDFOOT, ALASKA 99701-9998

February 23, 1987

Dear Mrs. Cato,

I should like to express my views concerning HB# 115 related to the Dalton Highway.

In April 1981 the legislature opened the Dalton Highway to the public. Then Governor Hammond, by decree, allowed the highway north of the Yukon River to Disaster Creek be opened only for the months of June, July and August.

The State at the same time decreed that someone provide a service facility at Coldfoot for the traveling public. That someone ended up being myself.

When Gov. Sheffield arrived on the scene, I approached him with the fact that we were here in Coldfoot year around, yet the road was opened to the general public only three months. He immediately, by Governor's decree, opened the road for the entire year, yet still only to Disaster Creek. This policy continues today.

There are several facilities opened to the public at Deadhorse, motels, restaurants, service stations and of course, the state airport facilities.

I can't see why the Dalton Highway should be divided, south or north of the Yukon River or south or north of Dietrich.

1. It's a state maintained road, using public funds.
2. Facilities are available year around.
3. Tourist traffic exceeds commerical traffic for five months of each year.
4. The state spends millions encouraging tourism.
5. Tour buses run the Dalton Highway fully realizing the attraction of:
 1. Yukon River
 2. Driving north of the Arctic Circle.
 3. The allure of the Brooks Range.
 4. The interest of Prudhoe Bay area.

The State D.O.T. maintains the checkpoint is a saftey checkpoint when we realize in fact, it's a political matter.

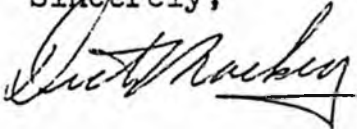
If in fact, it's a saftey checkpoint, then you should arrive, state you have extra tires and gasoline and continue on your way.

If it's a political matter, consider that no tourist is upsetting the lifestyle of any North Slope Borough resident as none live along the highway, that no corporation lands border the highway. That the D.O.T. when it does issue a permit, issues that permit for the vehicle, irregardless of the number of passengers. Why should one receive a permit to take a vehicle over a given section of highway right-of-way, and others be denied?!

Page 3

I believe it's time to adhere to our state constitution, open the highway, see the results of promotion of tourism and quit the political games with the North Slope Borough.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dick Mackey". The signature is written in dark ink and is positioned below the word "Sincerely,".

Dick Mackey

Coldfoot Services

Mile 175 Dalton Hwy.

Coldfoot, AK 99701-9998

1455 Skopline Dr

Fairbanks AK 99712

457-5602

Rep. Steve Frank

P.O. Box 5

Juneau, AK. 99811

This letter is to clarify my public affairs message of yesterday, and to add further emphasis for my support to the legislation to allow public use of the highway to its terminus.

I feel that because of the regulations already in place regarding hunting and fishing along the highway, and because to the south of Wiseman there is a distance of about 50 miles East and west to any native village, and to the north, the distance is greater to the only two villages Niqnesuit, to the west and Kallovik to the east, the highway should be opened to the public.

2.
Further emphasis is added by the fact that
tour busses are presently allowed to
travel the road to its terminus. Only
the common citizen is prevented from exercising
his rights of free travel on public roads.

I regard the road as a restricted public
highway by virtue of the fact that state and
Federal funds are being expended to maintain
and repair the highway.

I feel that justice will be served
by the passage of HB 115.

As chief of the village of Wiseman, the only
community on the haul road, which has
been reported since 1970, to do otherwise
is a travesty of justice.

Sincerely,
Dennis Thiller, Chief, Wiseman